BIHAR AND ORISSA

IN

1931-32

BY

R. A. E. WILLIAMS,

Indian Civil Service.

PATNA:
SUPERINTENDENT, GOVERNMENT PRINTING,
BIHAR AND ORISSA.
1933.

[*Price Re. 1.*]

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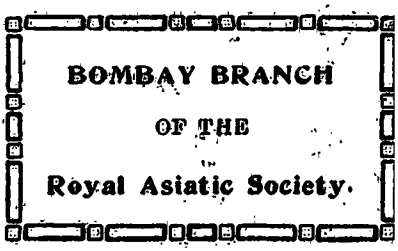

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Priced Publications of the Government of Bihar and Orissa can be had from—

IN INDIA

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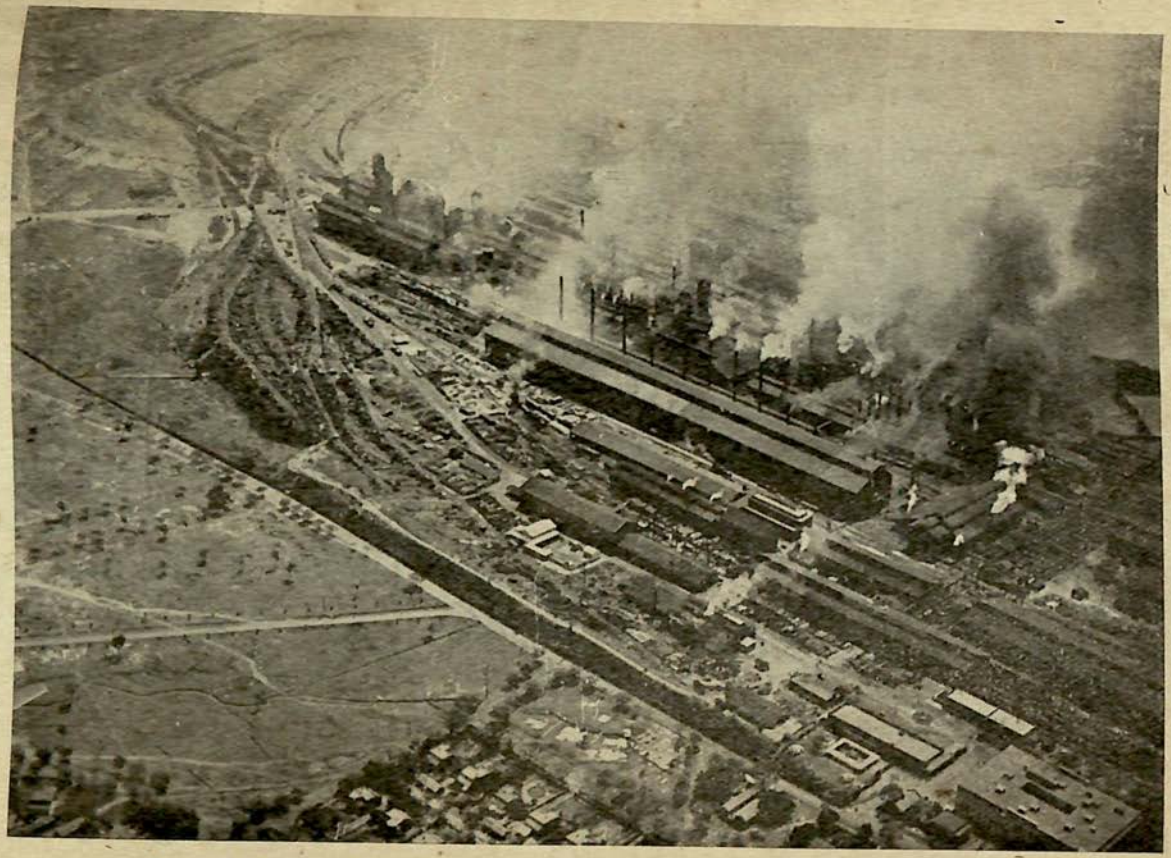

Aerial photo of the West plant of Tata Iron and Steel Co., Ltd.

NOTICE.

THE task of preparing this book has been entrusted to Mr. R. A. E. Williams, I.C.S., and it is now published under authority and with the general approval of the Government of Bihar and Orissa, but it must not be assumed that the approval extends to every particular expression of opinion.

PREFATORY NOTE.

THE main portion of this volume deals with the financial year 1931-32, viz. the period from April to March. In order to bring the history of the province up-to-date as far as possible, a short summary of the principal events of the calendar year 1932 is included as an appendix. Acknowledgments are due to Messrs. Tata Iron and Steel Company, Limited, Jamshedpur, for the use of the photograph shown as frontispiece; to Messrs. Shaida and Company, Calcutta, for the photograph facing page 23; and to Mr. C. L. Philip, I.C.S., for the photograph facing page 75.

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Bihar and Orissa in 1931-32.

CHAPTER I.

Political and General Events.

His Excellency Sir Hugh Lansdown Stephenson, K.C.S.I., K.C.I.E., I.C.S., continued to be the Governor of the province throughout the year but his term of office was drawing to a close and it was announced in December 1931 that he would be succeeded by the Hon'ble Sir James David Sifton, K.C.I.E., C.S.I., I.C.S., Vice-President and Member of the Executive Council. Sir James Sifton resigned his office as Member of the Executive Council in order to go on leave before taking up his appointment as Governor. His place on the Executive Council was filled by the Hon'ble Mr. J. T. Whitty, C.S.I., C.I.E., I.C.S., and the Hon'ble Raja Rajendra Narayan Bhanja Deo, O.B.E., was appointed Vice-President of the Council. On the transferred side, the Hon'ble Sir Saiyid Muhammad Fakhr-ud-din, Khan Bahadur, Kt., and the Hon'ble Sir Ganesh Dutta Singh, Kt., continued to be Ministers in charge of the portfolios of Education and Local Self-Government respectively.

Their Excellencies the Viceroy and the Countess of Willingdon paid a short visit to Ranchi in August while on their way to Calcutta and the public gave them a very cordial welcome. In November His Excellency the Governor visited the camp of the Bihar Light Horse at Muzaffarpur. In December, he made a farewell tour of Orissa and presided over the prize-giving ceremony at the Rajkumar college, Raipur. During the first three months of 1932 His Excellency visited the Monghyr, Palamau and Darbhanga districts. Three durbars were held for the presentation of titles and honours during the year at Patna, Ranchi and Cuttack respectively.

The year under review opened with a burst of political agitation which languished for a time only to gain new strength towards the close of the period. Politics however did not monopolize

public interest. Trade went from bad to worse causing a serious fall in the provincial revenues.

In March 1931 the Government of India attempted to secure the goodwill of Mr. Gandhi and the Congress party and their co-operation in the work of making a durable constitutional settlement. For a year the leaders of Congress had pursued an irreconcilable course: they had sought to paralyse the administration and to usurp the functions of Government; they had discarded constitutional methods for direct action and had preferred civil disobedience to negotiation. Civil disobedience inevitably deteriorated into unrestrained lawlessness. The result was turbulence and insecurity of life, arbitrary interference with individual liberty and the reinforcement of communal antagonisms. In Bihar and Orissa, as in other parts of India, there was a phenomenal increase of serious crime. Though the effect of the ostentatious defiance of the salt laws was negligible, the organized disobedience of the excise code, instead of promoting the cause of temperance, encouraged the extensive manufacture of illicit liquor and caused a reduction in the revenues which the province could ill afford. The refusal to pay the chaukidari tax was accompanied by deliberate acts of violence. Congress singled out British cloth for an invidious but effective boycott. The picketing varied in intensity at different times and places and was subject to spasms of enthusiasm and discouragement, but it was sufficiently sustained and aggressive to cause material injury to trade and to add to the responsibilities of the police. Penalties were extorted from traders who failed to observe the embargo placed on British goods. An army of pickets was hired and, when they were not in jail, they depended upon Congress funds for their livelihood. A pretentious scheme of parallel institutions which were intended in the fullness of time to assume the administration of each district never materialized. A social boycott subjected traders and the servants of Government to insult and discomfort while the less responsible section of the press, as long as it was uncontrolled, incited youths to acts of violence. The challenge to peace and orderly development which was implicit in these subversive activities could not be ignored. Congress had entered the lists as the adversary of the Government; it emerged as a nuisance, and even a menace to society. The Government of the province promptly mobilized its resources to protect the rights of law-abiding people and to enforce order. The firm administration of the ordinances and the loyalty of the police defeated the agitators. Public opinion was dismayed by a movement which aggravated the prevailing economic distress.

Having vindicated sane methods of political controversy, the Government of India endeavoured to persuade the leaders of Congress to listen to reason. The settlement made by the Viceroy with Mr. Gandhi was intended to produce a calmer atmosphere and make possible the co-operation of all parties in the work of framing and initiating a new constitution. Political peace was desirable to enable the Government to dispense with extraordinary expenditure and to mitigate the effects on Indian agriculture and trade of the fall in world prices. Peaceful propaganda on behalf of indigenous manufactures had always been legal and the pact did not recognize any new right when it affirmed that the non-violent advocacy of temperance and the use of home-spun cloth was unobjectionable. The restrictions imposed by the ordinances were removed. All persons convicted and imprisoned for non-violent offences were released, and pending prosecutions for such offences were withdrawn. Liberal provision was made for the return of property seized by the Government. The Congress undertook to give up unlawful activities and to desist from applying illegal pressure to seduce Government servants from their loyalty.

These terms, indeed, were viewed with misgiving by those who feared that the extremist section of Mr. Gandhi's followers would denounce their leader's moderation and employ the peace to revive activities inconsistent with the spirit of the pact. The president of the Congress which assembled at Karachi in the last days of March 1931 asserted that the settlement was a truce and not a peace. The Congress leaders in Bihar diligently advertised the same opinion and communicated to their followers the violent spirit which was so much in evidence at Karachi. By the close of the year 1931, the hopes which had inspired Lord Irwin's conciliatory policy were frustrated. The Congress would not relinquish the pretensions to dictatorship which it had put forward in 1930. But in the changed circumstances of 1931 and 1932 its claims were subjected to more criticism from the public.

For three months after the Delhi agreement, there was a marked revival of Congress activity which thrived on the exhilaration produced by Mr. Gandhi's supposed diplomatic success. The released leaders toured the parts of the province, especially north Bihar, which had been the chief centres of disturbance in 1930 and while some of them made a fair attempt to explain the settlement they took pains to convince their audiences that the Viceroy had capitulated to *force majeure*, that the Government had voluntarily abdicated, and that the Congress was the power in the land. To the credulous and ill-informed the withdrawal of the

ordinances, the relaxation of preventive measures and the prompt release of large numbers of prisoners were sufficient proofs of a Congress victory. The inhabitants of those turbulent areas where Congress had already encouraged lawlessness were little disposed to adopt the spirit of Mr. Gandhi's agreement and, contrary to the undertaking given at Delhi, Congress picketers still used coercion to enforce the boycott. In their eyes force still held the field as the only solution of the constitutional problem. The average volunteer found it difficult to understand, and more difficult to apply the academic distinction which the pact made between peaceful and violent picketing. Congress orators made no effort to explain the difference between a political and an economic boycott. The followers were not disposed to give up methods which received only the vague disapproval of the leaders. Congress agents announced the imminent renewal of war and they made feverish preparations for the event. They accepted the armistice signed by Mr. Gandhi only because it enabled the adherents of the nationalist cause to rally their forces in readiness for the triumphant conclusion of the campaign. They made allegations which were examined but not substantiated that Government had delayed the release of prisoners and had failed to carry out other terms of the settlement. Volunteers were enlisted, vigorous efforts were made to collect funds, political conferences were held, and the village and district organization of the party was perfected. In speeches and inflammatory pamphlets transmitting the Karachi programme, the rule of Congress promised to place everyone in a position of privilege and to dispense with the greater part of public taxation and expenditure. One thing was definite that Congress would not hesitate to punish the alleged brutality of the police by holding the enquiry which the Government had refused to concede. The new regime would start by victimizing those who had saved the province from the worst disorders.

The Muhammadan community kept severely aloof from these disturbing manœuvres, but the dangerous effects of the propaganda were at once apparent, especially in western Bihar, Bhagalpur, Patna and Manbhum. There was a further alarming increase in the number of dacoities, and a recurrence of organized attacks on the police. Picketing was intensified and was frequently accompanied by acts of violence. The excise revenue fell to even lower levels. The Delhi settlement instead of pacifying had stimulated the forces of disorder. In some districts it introduced nothing short of Congress domination, and its victims had no remedy since the

hands of the executive authorities were tied. The Congress leaders who tried to co-operate with district officers to maintain order were incapable of controlling the lawlessness which they themselves had inculcated. Picketers at a small station on the borders of Nepal used force to prevent the export of British cloth from Purnea. In the Sitamarhi subdivision of the Muzaffarpur district a liquor shop was burnt down and a riotous mob assaulted police-constables and rescued two persons who had been arrested for unlawfully tapping palm trees. In the same district the manager of a co-operative credit bank, cycling along a lonely road, was attacked by a Congress worker whose property had been attached by the bank because of his failure to pay a loan, and there were other assaults on inoffensive members of the public by Congress volunteers who thought that at last they had come into their own. Three villages near Sheohar still refused to pay the chaukidari tax and there were threats of stopping the payment of rents in the same area. A satisfactory feature of the situation in Tirhut was the comparative quietness of the Saran district where turbulent mobs had been active in 1930, but it was still the headquarters of dangerous revolutionaries.

These unsettled conditions compelled the authorities to retain for the prescribed period the additional police forces which had been posted in 1930 at seven exceptionally turbulent areas in north Bihar, but the force at Sriganj in the Balasore district was disbanded and the forces in three other areas were withdrawn before July 1931. The months of April and May were not without a few encouraging features. Two local bodies at Patna and Purulia, respectively, passed resolutions expressing indignation at the execution of Bhagat Singh and his confederates, but the *hartals* organized on this account failed. The revolutionary creed enunciated by the Congress at Karachi provoked little comment and less sympathy. Such a charter could not appeal to the class of petty landowners from which many of the provincial Congress leaders were recruited. Their self-interest recoiled from the prospect of conducting a campaign against the payment of rents which in most parts of the settled districts of Bihar amount to ten times the land revenue. In the Hazaribagh district where Congress had previously caused trouble, a plan was drawn up for the protection of the aboriginals, but second thoughts prevailed: the harmful reactions to Congress interests of such a course were incalculable and it was not pursued. Notwithstanding the nervous apprehensions induced by events in the United Provinces, Bihar, except for one or two minor incidents, celebrated the *Bakr-Id* and *Muharram* festivals peacefully.

By the end of June the recuperative effects on Congress of the Delhi settlement had worn off. Trade depression had reduced the Congress funds as well as the public revenue, and with the contraction of financial resources it became difficult to recruit volunteers, and picketing languished or disappeared. The exceptional heat discouraged agitation. Congress speakers were heckled or failed to get audiences, and they had to admit that the boycott of foreign cloth had helped to depress agricultural prices. The steady propaganda of independent leaders of moderate opinion and of Government officers contributed to bring the agitation into disrepute. Cloth dealers resented the dictation of Congress youths and began to engage in a freer trade. The Congress organization was preoccupied with the election of committees; public confidence in the administration of its affairs was shaken by defalcation of funds in Shahabad and Bhagalpur. It was content for the time to concentrate its energies in selected localities where influential people could keep the movement alive. There were still minor incidents of resistance to the police; a liquor vendor was murdered in Champaran and in Sambalpur the local Congress dictator insolently ordered the district officer to give evidence before a committee which had arrogated to itself the right of enquiring into the conduct of the police, but quietness generally prevailed.

Two serious terrorist outrages occurred during the lull. On the 13th June at 9 P.M. seven or eight men attacked the station master of the Hajipur railway station as he was going to deposit two bags of cash on a train. The station master was fatally shot in the stomach. A clerk was shot in the leg and a coolie was stabbed. The dacoits, who escaped with a bag containing over Rs. 600, were discovered to be members of a gang who had long made Hajipur and the district of Saran their headquarters and had already been responsible for several dacoities to obtain money for revolutionary purposes. One of the dacoits, who had escaped from prison while undergoing trial for a previous dacoity, was arrested in dramatic circumstances and was convicted and sentenced to death. A confederate was sentenced to seven years' imprisonment. On the 20th June officers of the Criminal Investigation Department at Patna gallantly waylaid two men suspected of taking a part in the bomb outrage at Lucknow. One man was overpowered but before the other, Hazari Lal, could be arrested he threw a bomb at his pursuers causing fatal injuries to a sub-inspector and severe injuries to himself and a head-constable. Both men carried bombs and revolvers. Hazari Lal was convicted and sentenced to transportation for life and his confederate to

ten years' imprisonment. These events and the other incidents of violence were rightly associated in the public mind with the lawless spirit called forth by Congress, and they caused a revulsion of feeling.

The disturbing influence of political unrest among the aboriginals had been illustrated in the districts of Hazaribagh and Manbhum. In July the same influence became apparent in the district of Singhbhum and the two adjoining States of Saraikela and Kharsawan. A religious leader called Haribaba sought to unite the Hos and Santals in a movement which aimed at expelling the Hindu foreigner and at restoring to the aboriginal peoples their pristine rule over the lands and forests of Chota Nagpur. Trouble was threatened at a large meeting of Hos which assembled in the Kharsawan State but was overcome without incident on the arrival from Chaibassa of a force of British Indian armed police which had been requisitioned by the Ruling Chief. Henceforward the movement was without serious political significance and was confined to religious objects.

Throughout September and October the situation was quiet and although Congress made strenuous efforts to keep in the public eye it continued to lose ground. Owing to the floods in north Bihar, and the uninterrupted fall in prices all over the province, especially in Purnea, Chota Nagpur and Orissa, politics gave way to the distress of agriculturists in its claims on public attention. People were puzzled by Mr. Gandhi's refusal and later acceptance of the invitation to attend the second round table conference at London. Traders welcomed the prospect of a further respite from political interference. The publication of Mr. Gandhi's list of charges against the Government failed to stir any feeling. A public weary of strife and abortive conferences found it difficult to understand the Government's anxiety to win the co-operation of leaders who openly urged the people to get ready for a renewal of civil disobedience. Congress tried to revive the waning enthusiasm by holding flag-hoisting ceremonies, but the response was feeble. The warlike temper of the leaders was betrayed in the attempts to establish training centres for volunteers in north Bihar and in Orissa. In preparation for the trade of the *Dasahara* holidays Congress leaders especially in Tirhut conducted a vigorous campaign against the purchase of foreign cloth but the results did not fulfil expectations. Picketers were scarce but in Monghyr they knocked down an old man who was purchasing *ganja*, and he died from his injuries. Revolutionaries armed with revolvers were arrested at Chapra in the Saran district and in October a

mail-runner was robbed at Lakhiserai in the Monghyr district, and at Sitamarhi in the Muzaffarpur district, another was robbed and killed.

The lawlessness produced by civil disobedience showed no signs of abating, and the strain of counteracting the continued increase of ordinary crime taxed the energies of the police and the capacity of the jails. The outbreak of crime in the years 1930 and 1931 swept away ten years of police work; the number of true cognizable offences in 1931 was the highest since 1923; dacoities were considerably more than double the number of the normal year before 1929 while burglaries had increased by twenty-six per cent since 1929. For these alarming records the marked increase of crime in those districts of north Bihar where Congress had organized the population to break the law was chiefly responsible; the unemployment which followed in the train of the trade depression also swelled the ranks of the malefactors.

The good crops of 1931 by increasing stocks kept agricultural prices at a depressed level; the disquieting fall in revenue called for drastic retrenchment. In October 1931 only Rs. 1,25 had been collected out of Rs. 5,42 cess. The Excise revenue was eleven lakhs less than the low level of October 1931 and some landowners complained of the difficulty of paying revenue. In 1931, the local Government had on its own initiative made economies amounting to Rs. 28,12 and on the advice of the committee appointed by the Legislative Council the saving was increased to Rs. 49,27. In the autumn of 1931 by means of a ten per cent cut of the pay of all Government servants and further retrenchment, public expenditure was lessened by Rs. 37,53. The levying of new taxes and the enhancement of the salt tax provoked singularly little agitation in Bihar, while the closing of the banks owing to the suspension of the gold standard produced no excitement except at Jharia and Dhanbad. In Orissa preparations were made for the Congress which was to assemble there in the cold weather and as a concession to Mr. Gandhi's ideals reformers attempted to secure for the untouchables admission to the temples. Oriyas criticised the constitution of the committee appointed to determine the boundaries of the new province and they conducted an active propaganda for the inclusion of large areas of the Madras and Bengal Presidencies as well as of Chota Nagpur. The protests made in Singhbhum against the absorption of that district in a separate Orissa were seconded by political opinion in Bihar.

November brought a marked increase of Congress activity. Blaming Government in advance for the failure of the round table conference, the leaders in Bihar had not disguised their hope that the conference would fail and they now exhorted their followers to prepare for a new offensive. A second factor at one time seemed likely to strengthen their position. In the United Provinces Congress had used the economic distress and the consequent agrarian discontent to embarrass the authorities. In Bihar the generally good rice crops by depressing prices still further had seriously diminished the cash resources of the cultivators and despite the active inhibitions of the more conservative Congress leaders in this province the party was tempted to discover a popular stimulus in a no-rent campaign against the landlords. Champaran was an old field of agrarian agitation; the irregular practices of the big landlords of the Patna and Gaya districts, although slowly disappearing, had left a legacy of discontent; the fall in prices had reduced the capacity of tenants in Gaya to pay rents commuted at a time when prices were fifty per cent higher; complaints against the canal rates in Orissa and Shahabad were common. These were promising materials for a no-rent campaign but, in spite of the lawlessness which prevailed in districts like Monghyr, it failed to mature. In Champaran, the Bettiah Estate, which is under the management of the Government Court of Wards and therefore a convenient target for the agitators, took the sting out of the movement by promptly remitting the rents of those tenants who were in distress. *Kisan Sabhas* established in the Patna and Gaya districts were never a source of danger. The outcry against the moderate charges for canal water in the Shahabad district was not sustained; but in Orissa the Government made a prompt enquiry and ordered a substantial reduction of the rates which gave relief in an area where cash was very scarce. The provincial Congress " dictator " who toured the Gaya district to examine the grievances of the tenants against the system of produce-rents (*bhaoli*) found that his interest in the subject had for many years been forestalled by the active intervention of Government officers. The landlord element in the Congress camp decided against a no-rent campaign; the " dictator " advised the tenants to cultivate good relations with their landlords; and Congress diverted its energies to well-tried channels of agitation. Its chief objects pending Mr. Gandhi's return from England was the collection of funds and the enrolling volunteers.

During December orators toured Bihar making violent speeches. Large numbers of volunteers, mainly loafers and unemployed persons, were collected in training camps in the

Muzaffarpur, Champaran, Saran and Manbhum districts and gave displays to impress the public. The only alarming consequence was the organization by the Muhammadans of Darbhanga and Chapra of similar camps intended to protect their interests against Congress interference. The explosion of a bomb in the compound of the District Magistrate's house at Bhagalpur caused no damage but it served to warn the public against the consequences of violent propaganda. Congress was determined to force another fight on the Government. Its emissaries had prepared people to expect extreme violence in certain selected areas, but they had forfeited public sympathy and in a future resort to force they could not rely on widespread popular support.

Events of the last week of December in the North-West Frontier Province and the United Provinces, leading to the arrest of Maulavi Abdul Ghafur Khan and Pandit Jawahar Lal Nehru, precipitated the re-opening of hostilities. During Mr. Gandhi's absence his lieutenants had forced a crisis in these provinces and in Bengal which made imperative the adoption of firm measures. On the one hand, the Government could not withdraw these measures without jeopardizing public safety; on the other Mr. Gandhi was unable to countermand the hostilities to which he had been committed by his assistants, and he therefore was compelled to order the resumption of civil disobedience throughout India for which Congress had made elaborate preparations. The authorities were no less prepared. On the 4th January 1932, the ordinances against unlawful associations and picketing were introduced, the provincial and district headquarters of the Congress were seized and the principal leaders arrested, prosecuted and imprisoned. The Congress press stopped publication. Full protection was guaranteed to traders. The suddenness and completeness of these measures disorganized all opposition and reassured an anxious public. Training camps and volunteers faded away; the agitators had no wish to court arrest again and went into hiding, while several leaders of some importance informed the authorities that they had given up their membership of Congress committees. Public opinion approved of the measures taken to prevent a revival of lawlessness and in contrast with the situation in 1930 there was a positive and widespread support for constitutional means of attaining the national ideal.

The existence of an active body of moderate opinion, bold enough to take the initiative in countering lawlessness, is the best security for peace. Without such a security the encouraging results of Government action could not be maintained. The forces of

disorder were still alive and their capacity for further mischief was not underrated. The disrespect for law persistently preached by the Congress had pervaded large sections of the people; habits of violence had been encouraged among people who were only too ready to acquire them; and it was by no means certain that moderate people were courageous enough to overcome the enemies of peace. Fears were expressed that the Government might again change its policy and that those who now indentified themselves with its firm measures would later be sacrificed to political expediency. Political sense was claimed as the exclusive monopoly of Congress. However unpalatable the Congress interpretation of the nationalist ideal or its form of political activity, people were familiar with no other; there was no organized party strong in public support which could challenge its methods or its programme.

In this situation the Congress in Bihar, though deprived of leaders, retained its power of continuing a secret propaganda and in north Bihar it used this power to organize riotous attacks on the police. It had brought into existence a corps of dependants who were loth to give up a living which they earned by extorting money from shop-keepers. The renewed attempt to stop tenants of the Bettiah Estate paying rents was defeated. Cyclostyled pamphlets, many of them issued from French Balasore, were circulated in large numbers in Orissa proving that the hidden organization was well provided with funds. Old women and children were employed as picketers to enlist sympathy when arrested by the police. Remaining in the background the organizers who had eluded arrest skilfully attempted to gain over the public by provoking the police to use force in dispersing mobs and they hoped to compel the authorities to arrest large numbers of unimportant boys and women whom the jails would be unable to hold.

The focal points of this policy lay in the Tirhut division and in the Monghyr district, and in these areas there were serious disturbances in the latter part of January and during February. The first occasion occurred on the 26th January, the so-called "independence day", when widespread efforts, which were successful only in parts of Tirhut, were made to take out processions. The methods used at Motihari, Bettiah, Muzaffarpur and Darbhanga were similar. Volunteers came in from the outlying villages, sometimes from considerable distances, and large crowds joined by spectators succeeded in passing the police pickets to assemble in an open space in the town. There was a dangerous riot at Motihari where the mob made a determined attempt to recover

possession of a Congress *ashram* which the police had occupied some days previously. The police made a *lathi* charge and cleared out a section of the crowd which had entered the building. But the mob having increased in size refused to disperse and pelted the small force of armed police with stones. A lorry which was sent for reinforcements was damaged and the driver injured, and when the District Magistrate arrived at the scene his car was damaged in the same way. The rioters refused to listen to the District Magistrate or to a Congress leader who tried to pacify them : the former was met and injured by a hail of stones and the latter was struck with *lathis*. The crowd which surrounded the police on all sides were bent on mischief. The District Magistrate was forced to order the police to open fire and after thirty-five shots the mob retreated. A further attempt was made to reason with the rioters but within five minutes they again attacked the police, this time from another direction, but retreated after six shots were fired. Shortly afterwards the Deputy Superintendent took a police patrol in a lorry to rescue a constable who was wounded and who was being beaten by the mob. The rioters made a determined attack on the lorry and in self-defence the occupants fired two shots as a result of which one man was shot dead and another fatally injured. The crowd then slowly dispersed. Two other rioters died from injuries caused by rifle fire and eight injured members of the crowd were admitted to the hospital all suffering from gun shots.

In the other towns the crowds were dispersed without difficulty but a large number of arrests had to be made. There were no disturbances in other parts of the province except at Jamshedpur where a large crowd had to be forcibly dispersed after it had thrown stones at the police. The police everywhere behaved with admirable restraint and of the persons arrested many apologized for their conduct and only a few were sent up for trial.

Disturbed conditions prevailed in various districts of north Bihar for some time and the police had to be continually on the alert. On the 24th January village Barbigha in the district of Monghyr was the scene of a violent demonstration against a small force of fifteen police-constables armed with *lathis*. A mob of two thousand men, in accordance with the usual tactics, had been collected from the surrounding countryside and these assaulted the police with stones causing injuries to most of the constables. The rioters prevented the despatch of telegrams for help but reinforcements eventually arrived and by the following day the mob had disappeared. On the 10th February, a large crowd resisted the

arrest of demonstrators at Rosera in the Darbhanga district but they dispersed after the police sub-inspector had fired three blank shots.

The riot at Tarapur in the district of Monghyr on the 15th February was more dangerous and better planned than the affair at Motihari. The local Congress " dictator " had announced that an attack would be made on all Government buildings throughout the country on that day and had published a notice in the neighbouring villages that a procession would be organized at Tarapur to witness the hoisting of the Congress flag on the local police-station. The District Magistrate and Superintendent of Police accompanied a force of armed police to the village and on arrival they noticed that the market place was full of a large number of young men all carrying *lathis*. In the afternoon volunteers carrying flags and supported by a mob of about four thousand people attempted to enter the compound of the police-station. The mob refused to disperse and after the Superintendent of Police had led a police charge, it began to attack the police-station on three sides using brick-bats and *lathis*. The District Magistrate arrived in time to find that the mob had forced the police back to within a few yards of the station building. Both he and the Superintendent of Police at considerable personal risk attempted to warn the crowd to disperse but they were greeted with a shower of brick-bats. The Superintendent was injured, the Magistrate was hit on the leg and the continuous volley of brick-bats had smashed a door in the building. In this critical situation the District Magistrate tried to frighten the mob by firing two rounds with his pistol but neither this nor the six rounds fired by the constables succeeded in deterring the rioters. The defence of the police-station against an organized force had to be undertaken in grim earnest. The District Magistrate defended the southern side of the building while the Superintendent of Police was in charge of the west and north. The firing of the police which was personally controlled by these two officers went on for about ten minutes during which seventy-eight rounds were fired. Reinforcements of rioters were still being marched up from the market place, and it was not until some of the leaders had been killed that the mob slowly began to disperse. One leader was shot as he was breaking down the compound wall. Firing ceased when the crowd began to retire although the rioters still showed signs of reorganizing. The Magistrate and Superintendent again warned them to disperse and the mob impressed with the results of the firing finally scattered. While the attack on the police-station was going on, some of the rioters threatened to assault the servants of the District Magistrate at the

dak bungalow but they desisted when one of the servants fired a gun. The Government officers took immediate steps to attend to the dead and wounded, of whom there were eight and five respectively. A car was sent for a doctor and by 7 P.M. first aid had been rendered to all the injured persons. These examples of organized mob violence were the direct result of the war talk and the war mentality sedulously maintained by Congress leaders. At Tarapur the police used fire-arms to save their lives and the courage and restraint of the officers and men in a situation of extreme danger cannot be sufficiently praised.

Throughout February Congress activity was intensified in the Muzaffarpur district and in particular in the Sitamarhi subdivision. In many places large mobs attempted unsuccessfully to hoist flags on public buildings. In the absence of the police officers a crowd of three thousand men entered the premises of the Belsand police-station and removed the property of an *ashram* which had been seized on the previous day, but police reinforcements recovered the materials a day later. At Pupri a mob succeeded in hoisting the Congress flag on the Registration Office but the presence of armed police prevented further demonstration. A major disturbance occurred in this area before the turbulence organized by Congress agents was finally exhausted. This was at Sheohar which in 1931 had been the centre of the resistance to the demand for chaukidari tax. Trouble had been expected and a force of twenty-five military police accompanied by a magistrate was stationed there in readiness. Here again there was ample evidence of careful organization behind the riot. On the 28th February a Congress volunteer handed in a written notice at the police-station warning the inmates that an attack was about to be made and threatening dire consequences if the police showed resistance. At midday Congress volunteers led a crowd of about seven thousand men, armed with *lathis* and carrying flags, to the police-station. The magistrate made unsuccessful attempts to pacify the mob and the attempts of the police to disperse it with *lathis* failed. The mob growing in numbers and in insolence made a determined attack on the building during which the *subadar* and two Gurkha constables were injured. Peaceful persuasion had no effect on the rioters and any further reluctance to deal firmly with them would have led to disaster. The magistrate therefore ordered the officer in charge of the police to disperse the unlawful assembly by rifle fire. Only four rounds were fired and these were directed at the more violent section of the crowd. Four persons were shot dead and nine were injured, of whom one subsequently died in hospital. The mob instantaneously dispersed and there was peace throughout

the neighbourhood. But the turbulent traditions of the large population of this area together with the ever present possibility of attacks on isolated outposts demanded the constant vigilance of the Muzaffarpur authorities. The excitable feelings produced by this short period of turmoil did not lose their impetus until the end of March. In all areas where serious riots had occurred as well as in several other disturbed localities of the Muzaffarpur district like Paru and Bairagnia forces of additional police were posted for which the local inhabitants had to pay, and their presence helped considerably to restore peace. The outbreak of violence had made it necessary to extend the Emergency Powers Ordinance to the province but it was very sparingly used, and only against the most troublesome districts and agitators.

Elsewhere in Bihar and in Orissa the outburst of Congress activity was of a shorter duration and was much less aggressive being generally confined to the holding of public meetings. The Muhammadans in this province paid no attention to the appeal made to celebrate a " Peshawar day " and a " Frontier day " Attempts were made to hoist flags on Government buildings and early in March a crowd of 5,000 men attempted to plant a flag on the Hajipur police-station but were frustrated. Traders were still nervous and in Patna secret threats caused them to seal their bales of foreign cloth but with the general weakening of the agitation towards the end of March public confidence increased. Picketing had not re-appeared to any serious extent although a vigorous campaign was waged by means of cyclostyled leaflets against foreign cloth and Burma oil. By the end of the year the energies of Congress were outwardly directed to the legitimate propaganda of a " Buy Indian " campaign. A satisfactory feature of these months was that the schools and colleges were free from attempts to incite students to insubordination.

The vigilance of the authorities gradually restored respect for law in the disturbed districts. By the end of March over 6,000 persons had been convicted for offences relating to the revival of civil disobedience, but apologies were increasing and convictions were fewer. Orders issued under the Emergency Powers Ordinance restricted the movements of the more mischievous agitators and villages, where a revival of turbulence was feared, were warned that lawless conduct would be punished with a collective fine. In the Palamau district the genuine grievances of the raiyats gave new life to the local *Kisan Sabha*, but agitators used the opportunity to preach the non-payment of rent and chaukidari tax, the wholesale cutting down of the jungle, and physical resistance to the landlords'

agents. The danger of a disturbance was temporarily averted by the intervention of the district officer.

At the end of March 1932, there was little overt activity and the province was generally quiet. Civil disobedience and the resort to force had collapsed. The Congress was disorganized but its many sympathisers particularly those who made a living out of its activities, might easily have disturbed the peace if the precautionary measures of the Government were relaxed. The publicity organization of Congress was intact and was responsible for the issue of increasing quantities of cyclostyled and printed leaflets. Moderate opinion was still without effective channels of expression : there was much popular ignorance about the constructive work of the Government and the need of organizing moderate people into an active political unit was paramount. The appeal to force had for the second time suffered defeat at the hands of the Government, and in 1932 public opinion had given positive proof of its dislike for Congress methods. But still more positive proofs are required of it if the new constitution is to succeed. Lord Lothian's Committee visited Patna in February 1932 and a provincial committee helped it to collect evidence and to formulate proposals for the revision of the franchise and the re-arrangement of the constituencies. Their discussions revealed the magnitude of the changes which are in progress and emphasized the importance of preparing the enlarged electorate for its heavy responsibilities. At present 374,000 people have the right to vote : the Committee's report, which was published later in the year, proposed to enfranchise three million electors.

The grave communal disorders, which took place in March 1931 at Cawnpore and other towns of the United Provinces, gave rise to alarming rumours in Bihar. Fortunately the year passed without any serious disturbance on this account, a result which was due to the precautions taken by the police and district authorities. There were one or two Congress agitators who did not scruple to use violent language against the Muhammadans, but the more discreet leaders were aware that a communal conflict would damage Congress interests and did their best to prevent trouble. For some years the institution of *Mahabir Jhanda* processions among the Hindus had been observed in a manner to which Muhammadans took strong exception and at Dhanbad in April 1931 the police were just in time to prevent a riot over such a procession between a mob of three thousand Hindus and five hundred Muhammadans. Except for minor affrays order was maintained. In the Hazaribagh district similar processions were taken out for

the first time but although alarm was caused there was no open violence. The careful arrangements of the police ensured a peaceful *Bakr-Id* throughout the province except for two minor riots in the Monghyr district, and there was no untoward incident during the *Muharram*. Early in August the strained relations which for some time had existed between the Sikh and Pathan communities at Jamshedpur very nearly led to a riot when the Pathans killed a cow or bullock which was rumoured to be a dedicated animal. The prompt despatch of a force of military police checked further trouble. In September Moslems were perturbed by the alleged grievances of their co-religionists in Kashmir while the Hindu Mahasabha protested against what they considered to be an unfair Muhammadan agitation against the Hindu regime in that State. There was no disturbance during the *Dasahara* festival but firm action by the district authorities prevented a clash in the Aurangabad subdivision of the Gaya district and also at Katihar and Kishanganj in the Purnea district. In December the organization of volunteer training camps by the Congress in north Bihar alarmed Muhammadans and to protect their own interests they formed a counter camp at Darbhanga. The event was symptomatic of the suspicion fostered by political agitation.

A satisfactory feature of the year was the failure of political and communist agitators to embitter relations between industrial employers and their workmen despite the reductions of staff which the trade depression made necessary on the railways and at the steel works of Messrs. Tata at Jamshedpur. Labour was alive to the danger of harming its own interests by embarrassing employers during a time of economic crisis and although trade unions had not yet gained a stable organization their members were as a rule amenable to sane leadership. In July rumours of a strike on the Bengal-Nagpur Railway proved to be without foundation. In September Mr. Subhas Chandra Bose, a Congress leader from Bengal, attempted as a political move to foment a strike among the steel workers of Jamshedpur but a mass meeting which he addressed broke up in disorder. The local authorities were compelled to forbid the holding of further meetings; for the time being the partisans of the various rival leaders desisted from violent demonstrations, and Mr. Bose, distracted by affairs in Calcutta, and at variance with the Jamshedpur leaders, resigned his office of chairman of the local trade union. In December reductions in wages at a colliery in Dhanbad led to a brief strike which terminated when the management modified their terms.

The Congress newspapers took their full share in the revival which followed the Delhi agreement and the withdrawal of the Press Ordinance, and they continued throughout 1931 to nourish hatred of the Government and to educate the minds of their readers for war. For them no good could ever emanate from any Government policy and the conduct of officials was steadily vilified and misrepresented. Bhagat Singh and his associates were revered and their execution for murder was described as an outrage. Mr. Garlick's assassination had a sobering effect, but the newspapers soon returned to the old theme of justifying political murder and of urging the youth of the country to accept the call of revolution. The tone of this section of the press was one of the biggest obstacles to the restoration of peaceful conditions promised by the settlement of Lord Irwin and Mr. Gandhi. The Government were accused of deliberately fostering communal riots and of violating the terms of the settlement. It was made clear that in ratifying the Delhi pact the Congress at Karachi had not abated any part of its extreme demands and the British Government was advised to surrender. The " Searchlight " discovered in the proceedings of the second round table conference the " sublime hypocrisy " of the British Government and regarded the Prime Minister's statement as a denial to India of her political freedom. Impatience was expressed at the appointment of committees to report on the extension of the franchise and financial arrangements under the new constitution. Muhammadan papers, which were generally opposed to the violent agitation of the Congress, feared that the Government would capitulate to Hindu demands in the settlement of the communal problem and their alarm increased when the Congress press condemned the Moslem agitation in the Kashmir State. In October 1931 the Legislative Assembly passed a Press Act empowering the Government for one year to take measures against the publication of matter inciting to or encouraging murder or violence : the Congress papers advertised the Act as an intolerable oppression and they openly canvassed the resumption of civil disobedience. When this occurred early in 1932 the principal journals ceased publication on their being required to furnish security under the Act.

In March 1931 the " Indian Nation ", a moderate paper in the landlords' interest, which was printed at a very well-equipped press commenced publication, but it was unfortunately unable to yield a return in any way proportionate to the heavy capital expenditure incurred and it was closed down early in 1932. This paper with other journals criticised the Indian budget and was not satisfied with the retrenchment in Government expenditure which was made

in the last months of 1931. Oblivious of the slight incidence of land revenue in a permanently-settled province, sections of the press urged the Government to make remissions. Unfounded allegations and threats were made against the police and the action of the High Court in demanding future abstention from lawyers who had been convicted of offences arising from civil disobedience was described as vindictive. Oriya papers advocated and non-Oriya papers opposed the inclusion of the district of Singhbhum in the proposed province of Orissa. A section of the Oriya press published defamatory statements about the administration of some of the Orissa States. Complaints against the local self-governing bodies and requests for Government intervention were freely made. The papers were insistent that the Government should take over the control of the Bengal and North-Western Railway whose lease was due to expire in 1932 and there was strong opposition to the proposal that the Bihar and Orissa postal circle should be abolished. The Congress papers, confessing only cursory acquaintance with the document, condemned the report of the Royal Commission on Labour as a failure " to touch the fringe of the problem ". Criticism of the co-operative movement, though persistent, was unable to suggest helpful remedies. In foreign politics the treatment of Indians in South Africa called forth bitter comment and Muhammadan papers published reports of atrocities perpetrated on Moslems in the Italian colonies. The extremist press accused the Government of deliberately encouraging anti-Indian feeling in Burma.

In 1931 the rural population of the province, which accounts for as much as ninety-six per cent of the total population of thirty-eight millions, was exposed to the full effects of the slump in commodity prices. Except in the Champaran district crops were excellent throughout the province and the chief cause of anxiety was not the shortage of food but the shortage of money and credit and the consequent difficulty experienced by the cultivators in finding cash to pay rents and buy other commodities. In addition to the difficulty of selling their crops, there was a tendency among raiyats to hold them up in expectation of an increase in prices. Such damage to the crops as occurred was local and was the result either of floods or unusual hail-storms, the latter being responsible for damage to the *rabi* crops in Champaran and Darbhanga. To alleviate the distress caused by the late rains and by floods in the Tirhut and Bhagalpur divisions relief works were organized and agricultural loans exceeding four lakhs were distributed up to November 1931 most of them in Purnea and Bhagalpur. Bengal

required fewer labourers from the province and cultivators in Chota Nagpur who are accustomed to supplement their income by working in mines and quarries found that this source of employment had contracted.

The prices of agricultural products again fell and the good harvest checked every tendency to rise: by December 1931 paddy was sold at half the price obtained in 1929 and in Orissa the fall was much bigger; the exceptional drop in the price of lac brought hard times to the cultivator of Chota Nagpur and forced many factories to close down; jute, after showing a slight but temporary tendency to recover, was still low-priced and the poor market for this commodity and also for chillies and tobacco caused further depression in Purnea where these are the chief money crops of the agriculturist. The cattle-breeders of the Muzaffarpur district lost their export market because the jute-growers of Purnea and Bengal had no money to replace their cattle. The difficulties of all traders were multiplied by the unsettled political conditions and by the arbitrary interference of the Congress. The brightest feature in the provincial economy was the expansion in the manufacture of white sugar from sugarcane. Sugar prices were more stable than those of other agricultural products; new factories sprang up in north Bihar and by absorbing the larger and better crop provided cultivators with cash resources amounting to eighty lakhs of rupees. It is to be hoped for the agriculturists' sake that the industry will not be the victim of inflationary tendencies which a tariff prosperity is prone to encourage. Depressed conditions continued in the coal and mica industries and a number of mines were closed. The steel industry at Jamshedpur has now secured the major share of the Indian market but stagnant trade restricts its output. Further reductions of staff had to be carried out at the railway works at Jamalpur and the tobacco factory worked only at fifty per cent of its capacity for most of the year.

In spite of the low agricultural prices there was, outside the Purnea district, no difficulty found in paying land revenue: practically the whole of Bihar and Chota Nagpur is permanently settled and on the average the revenue does not exceed one-tenth of the rentals paid to the proprietors, while in many districts, such as Champaran, Bhagalpur and Monghyr, Government revenue represents an even smaller share of the rentals. In the temporarily-settled estates of Orissa rents, though recently enhanced, are still very low and the collection of the revenue, which represents about half the rentals paid by the tenants, was not below normal except in the Cuttack district. Purnea had suffered more from inactive

Graph showing average prices of
important agricultural commodities

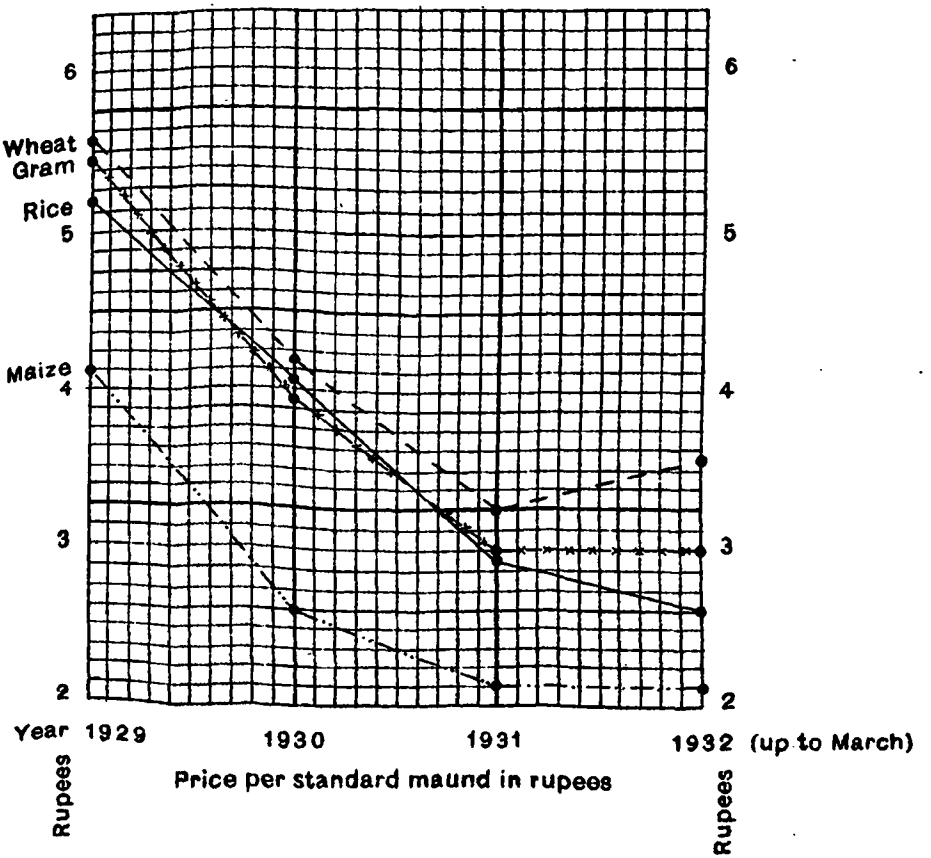
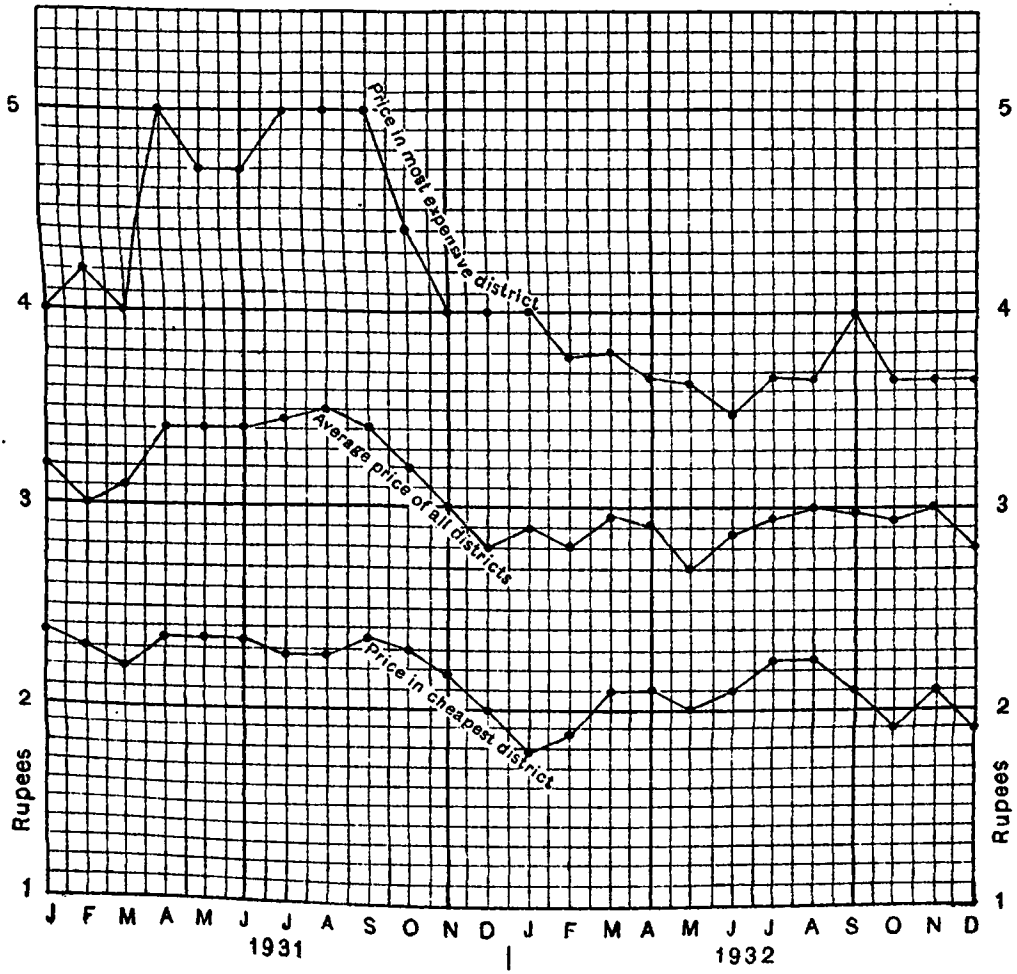


Diagram showing the price in rupees of one standard maund of common rice, month by month, in 1931 and 1932.



markets than other districts owing to its dependence on the jute crop, but the incidence of the land revenue is low and there was no real demand for its reduction. Some members of the Congress party, imitating their colleagues in the United Provinces, tried to organize an agitation for the remission and reduction of the land revenue demand, but there was no strength in their case as was amply demonstrated by the debate in the Legislative Council, and the attempt was not sustained. The total collections of road cess were slightly below normal; the demand for a reduction of this very light charge on the rural population which was made in Purnea and other districts was not well-founded and was strongly opposed by non-official members in the Council debate.

Want of money was expected to produce friction between landlords and tenants; political agitators were always ready to exploit agrarian trouble. Except for a few minor incidents in the Palamau district events took a contrary course: Congress leaders themselves would have been damaged by a no-rent campaign and the incipient movement in the Patna division was discontinued. In Champaran the low pitch of the cash rents could not be made into a grievance. Elsewhere the movement was not even started though tenants in many districts were discontented. The lawless spirit born of civil disobedience was always liable to drive dissatisfied tenants to violence when any dispute occurred between them and the landlord, and this was particularly noticeable in the Monghyr district where three village officials were killed. In the Tirhut division relations between landlords and tenants were better: the relief provided by the Bettiah Estate for cultivators who had lost their crops owing to flood and hail-storms, together with the larger remissions of loans, amounted to Rs. 66,000; a considerable part of the rent collections was suspended but even so eighty per cent of the current demand was realized. With the discomfiture of the Congress agitation, relations improved in Orissa. There the cultivators obtained a welcome relief by the reduction of the rates for canal water which the economic depression had rendered excessive. Fortunate in being free from the curse of absentee landlords the province may hope for the growth of a better understanding between landlords and their tenants.

In a year of such severe economic disturbance and political unrest it is pleasing to record that the agricultural population of Bihar was able to breast the downward rush of prices with so little distress. Despite the lower cash incomes of the cultivators, their standard of living retained a substantial margin of safety and was not yet in any serious danger. Even after the fall in prices most

of the cash rents in the province are so low that their payment is not too heavy a burden for the tenants. It is true that there was a falling off in rent collections in private estates but where there was wise supervision they were not much below normal. Where severe distress occurred landlords adjusted themselves to the lower cash incomes of their tenants and made large remissions. Elsewhere if the tenants were not paying up as usual, it was due not so much to inability to pay as to the existence of a plausible excuse for not paying, and to unwillingness to sell produce at half the price obtained before the slump. It was also due to the general disrespect for law and to the promises made by political agitators that under Congress rule rents and similar " exactions " would be abolished.

For certain limited classes of agriculturists it is true that the depressed price level has created extraordinary difficulties. The highest rents in the province are found in those districts, more especially in south Bihar, where produce rents were commuted to cash rents during the years of high prices. These tenants had now to pay high rents out of cash resources which had been halved since 1929. It is remarkable that, in spite of this difficulty, the temporary suspension of commutation, which was considered advisable in order to ascertain the future trend of prices, caused widespread resentment. There was still the same eagerness to place rents on a cash basis. Tenants scattered over the province who have taken settlement of new lands in recent years at high rates have found it difficult to find the money and the same is true of those raiyats, whose rents have been enhanced by the civil court on the suit of the landlord. Helpful concessions by the landlords eased the situation of many of these tenants, and indulgence must be shown until prices become stable again. So far there has been no acute distress. The tenancy laws have been leniently administered and financial help has been promptly furnished to those in real need. The worst effects of bad trade were the greatly reduced excise revenue and the increase of burglaries and dacoities.

Elephants bathing, Sonepur fair.

CHAPTER II.

The Land and the People.

The physical configuration of the province has not strengthened the grouping of Bihar with Chota Nagpur and Orissa in one administrative unit. In recent years improved roads have made it easier to travel from the northern to the southern end of the provincial corridor, but they have not entirely broken down the isolation which in each of the three areas is aided by differences of race, language and culture. The rivers which intersect the province flow in a south-easterly direction to the Bay of Bengal and the natural highways are followed by the railways which converge on Calcutta outside the province. The Ganges divides north Bihar from the headquarters of the Government; its tributary, the Kosi, isolates the Purnea district; there is no all-weather route between Ranchi and Sambalpur; the hills and forests of the Orissa States now traversed for the greater part by a good road, separate Sambalpur from the coastal districts of Cuttack, Puri and Balasore; the Orissa delta is a formidable and expensive obstacle to road development. The highlands of Chota Nagpur, with their forests and mineral deposits, stand out in contrast with alluvial plain of Bihar with its dense agricultural population.

According to the census made in February 1931 this varied region supports thirty-seven and a half millions of people, excluding the four and a half millions in the Orissa States: in the last decade the population of the British districts has increased by three and a half millions. Eighty per cent of this population is dependent on agriculture and lives outside the eighty-five towns situated in the province. Sixty per cent is collected in the three Gangetic divisions of Tirhut, Patna and Bhagalpur which take up about half the area of the British territory; the remainder is distributed between Chota Nagpur and Orissa. All districts have contributed to the increase in population, but a special feature is the increase of nearly one million in the population of Chota Nagpur which is predominantly aboriginal to a total of over six and a half millions: during the last fifty years the increase of population in this division has been greater than that of any other. The development of copper and iron mines and of the steel industry at Jamshedpur accounts for the twenty-two per cent increase in the population of

Singhbhum during the last decade. Muzaffarpur, with 969 persons to the square mile, is still the most densely populated district of the province and Darbhanga has the largest population. North and south Bihar support 696 and 565 persons respectively to the square mile. When it is considered that the productivity of the soil during the last decade has not increased in area or in yield per acre the continued increase of the population, particularly in the districts of Bihar, presents alarming evidence of the heavier pressure which the land has to bear.

There has been a slight rise of the town population since 1921 but the expansion of commerce and industry in the province has proceeded very slowly : in the percentage of the total population which relies directly on agriculture for its livelihood there has been no appreciable change. Seventy-seven per cent of the working population tills the soil; 960 persons out of every thousand live in villages and 40 persons in towns. Patna whose population has increased by 40,000 is the only town in the province with more than 100,000 people. There are only seven towns with a population varying between 50,000 and 100,000. Of these Jamshedpur with a population of 84,000 has added 27,000 to its inhabitants in the last ten years.

The large mining and manufacturing industries of the province owe their existence to capital supplied outside the province : they have been valuable agents of economic progress in providing alternative employment and supplementary income to the depressed ranks of cultivators and to the landless labourers. But these industries have contributed little to the provincial revenues, nor have they assisted as much as might have been expected in creating and retaining within the province reserves of wealth which would be available to finance agriculture and the smaller trades and industries peculiar to Bihar. Credit is imperfectly organized and, even with the facilities provided by the co-operative banks, it does not flow with sufficient freedom into the hands of the cultivator. Even in the prosperous years his indebtedness was on the increase. When trade is bad the poorer cultivators suffer from the reduced demand for labour in the mines and factories. During recent years there has been one industrial development in Bihar which has promised well for the agricultural producer and that is the prosperity of the white sugar mills which have provided him with ready cash when his income from other sources has failed.

To the increasing and predominantly agricultural population the last ten years have brought a higher standard of material

comfort which is illustrated in the common use made of hurricane lanterns, electric torches, bicycles and motor buses. It was a period of prosperity during which the monsoon never failed once, and although some harvests were below normal they were consistent. The greater cash income of the cultivator was due to the rise in prices, especially the prices of agricultural products which took place in 1920-21. Although throughout the decade until the collapse of 1930 there was a steady and continuous fall of prices, except those of food grains, wages lagged behind the cost of living, and the wage-earner was saved from an abrupt contraction of his resources. That the cultivator had more money to spend was shown in the expansion of the provincial excise revenue from one and a quarter to two crores of rupees between 1921 and 1927 when there was a progressive enhancement of the price of country liquor; and for most things his purchasing power was higher. Agriculture was profitable and there was a steadily decreasing flow of emigrants from the province to the labour markets outside.

The rapid deterioration of trade since 1930 has shown how insecure were the foundations of the agriculturist's prosperity. The disparity between the prices of raw materials and those of manufactured goods seriously diminished his purchasing power. The unprecedented slump in the jute and lac markets has deprived him in Purnea and Chota Nagpur respectively of most of his normal cash income. Grain prices have been halved and are now at the level which obtained thirty years ago, but there are four million extra mouths to feed. There were fears that the necessary process of adjustment would be severe in 1931 when the agricultural population became painfully aware of the economic disequilibrium. Actually, food was plentiful and the year passed without any widespread distress. There was a distinct drop in the wages of labourers, and in some districts, especially Champaran, wages were commonly paid in kind and not in cash.

The Patna and Tirhut divisions and part of the Bhagalpur division do not normally supply labour to the Assam tea gardens, and there was no recruitment from these areas or from Balasore during the year 1931-32. The closing of outlets for emigrants in Bengal and Burma caused an appreciable increase of unemployment especially in the Tirhut division. The total number of emigrants to Assam from the remaining districts of the province and the Orissa States was 36,415 as compared with 33,092 in the previous year, but the districts of Ranchi and Sambalpur are solely responsible for the rise in the total number: elsewhere there was

a fall in the number recruited except in Singhbhum where it was stationary.

Economic disaster fell with the greatest force on the provincial revenues which were lessened by nearly a crore of rupees, but it was significant that the fall in the excise revenue, and not the land revenue receipts, chiefly contributed to this result. It became clear that a province almost entirely dependent on agriculture could not with its present financial resources afford even the low standard of public expenditure permitted by the more prosperous years before 1929.

Land revenue amounting to a demand of about one crore sixty-four lakhs forms thirty-four per cent of the total revenue of the province; in the United Provinces the land revenue is as much as fifty-five per cent of the total revenue. Of this demand nearly Rs. 107 lakhs fall on the 111,711 permanently-settled estates which cover four-fifths of the area of the province; thirty-five lakhs on the 13,308 temporarily-settled estates, most of which lie in Orissa; and twenty-two lakhs on the 362 estates which are under the direct management of the Government. The major portion of the revenue is thus collected on the basis of an assessment made in 1793. At that time the revenue demand left the proprietor with only a small margin of profit not exceeding ten per cent of the total rental, but the extension of cultivation and the rise in the value of agricultural produce in the last hundred and forty years has in the majority of estates increased the margin to nearly ninety per cent. As this settlement was fixed in perpetuity in Bihar and Chota Nagpur the land revenue has become an inelastic asset contributing much less to the public funds than it does in other provinces where there is no permanent bar to its expansion. The advantage accruing to estates regulated by the permanent settlement may be gauged from the fact that in the temporarily-settled and Government estates of this province, where revenue can expand and has risen slightly, the assessment of every square mile is twenty-six per cent higher than that of the permanently-settled estates of Bihar and forty-five times as much as the assessment of the permanently-settled estates of Chota Nagpur. The settlement in Orissa, which has recently been completed, has fixed the revenue of the temporarily-settled estates for the next thirty years and the yield has been increased by thirty-three per cent. But even here the State relinquishes half the profits of the land to the proprietors. In 1931 the total demand for land revenue rose by one and a half lakhs of rupees which was mainly due to the revisional settlement

in Orissa and to the transfer of certain estates to Shahabad from the Ballia district of the United Provinces owing to a change in the deep stream of the river Ganges.

Rents in the province are generally low, the average varying from Rs. 7-8-0 an acre in the Patna district, which is about the level of rents throughout the United Provinces, to Rs. 2-4-0 in Puri. But there are exceptions to the general low level. New land settled in years of good prices, when competition was keen, bear much higher rents; and cash rents commuted from produce rents during the same period tend to be above the average, but there is still the same desire to commute. For cultivators who have to pay these rents the depressed market for agricultural products in 1931 created real difficulties, but they are confined to small areas; ninety per cent of the cash rents payable in the province are still low enough to be paid even with agricultural produce selling at the prices now obtainable. Such a situation was not favourable to the spread of the no-rent campaign and it was not seriously prosecuted. Many cultivators hoping for more attractive prices refrained from realizing money for their crops, and rents were delayed on that account. The net effect of the shortage of money on land revenue was limited to a fall from 94.52 to 92.75 in the percentage collection out of the total demand. The total outstanding balance amounted to nearly twelve lakhs of rupees as compared with nine lakhs in 1930-31. Collections were worst in Purnea where the effects of bad trade had been exceptionally severe, and here the arrears increased by one lakh of rupees.

The lower capacity of the cultivators to pay rent was reflected in those estates where rent is paid direct to Government and is in effect a revenue payment. Here the average realization was seventy-five per cent of the total demand as compared with seventy-nine per cent in the previous year. Private sales of land also indicated the financial stringency. During 1931, 151,000 acres were sold as compared with 180,000 acres in 1930, but the average sale price was not affected. For entire holdings the average price per acre was Rs. 159 as compared with Rs. 122 in 1930 and Rs. 128 in 1929; for part holdings the average price per acre was Rs. 171 as compared with Rs. 244 in 1930 and Rs. 201 in 1929. In the Bhagalpur district as much as Rs. 416 per acre was paid for entire holdings. In some quarters money was plentiful and those who had it were prepared to pay a high price for land. Notwithstanding the uncertainty of the law about the sale of raiyati holdings in

Bihar and the positive restrictions on sale in Chota Nagpur, occupancy rights in land form a valuable security for credit.

During the year four estates, whose management had been undertaken by the Board of Revenue on behalf of the proprietors, were released and three were taken in charge, the number of estates under management decreasing from 68 to 67. Rent collections were affected by the shortage of ready cash and by political agitation, and in the Bettiah Estate there was a large increase in the outstanding balance which was chiefly attributable to the damage caused by flood and hail. The total indebtedness of the estates increased by nearly seven lakhs of rupees to Rs. 50,30,990. The Bettiah Estate, besides giving prompt relief to cultivators in distress, has increased its contribution to schools, dispensaries and charities to Rs. 1,31,975, and its enterprise in opening three leprosy clinics and a child welfare centre is of special interest. A sum of Rs. 1,02,519 was spent on improvements in Government estates during the year compared with Rs. 1,40,998 in 1930-31. Four and a half lakhs of rupees were distributed under the Agriculturist's Loans Act, of which nearly two and a half lakhs were allotted to the Bhagalpur district.

The abnormal economic conditions justified the lenient administration of the sale-law. The number of estates liable to sale for non-payment of revenue increased from 9,109 to 11,729 during the year, and the number of sales from 261 to 315. The percentage of estates sold to estates liable to sale decreased from 2.80 to 2.69 and the aggregate revenue of private estates ultimately sold for arrears of land revenue amounted only to Rs. 19,795 against Rs. 35,669 in the previous year. The amount realized by sale was 9.6 times the Government revenue against 8.3 times in 1930-31. The depression was responsible for a slight increase in the number of certificates filed for the recovery of rent under the Public Demands Recovery Act.

Five separate tenancy laws regulate the varied relations which exist in the province between landlords and tenants. Several matters, such as the right of transfer in raiyati holdings, the rights of landlord and tenant in trees on such holdings, and the privileges of landlords in lands in their own possession (*bakasht*) need further elucidation by the law but so far the Government has failed to secure agreement among landlords and tenants on the changes which are necessary. Under the new constitution the party which can find an acceptable solution of these questions will have done much to

ensure the healthy development of politics and agriculture in Bihar. During the last two years civil disobedience and slack trade have induced a readier disposition among tenants to quarrel with landlords on matters which have for years been a subject of contention. Where rents are paid in kind, as in Gaya, landlords often realize more than is due to them. Transfer of holdings by raiyats in some districts is hampered by the excessive *salami* demanded by the landlords, and elsewhere they start litigation merely to harass the tenants. Disturbed conditions in Monghyr have sometimes encouraged tenants to take the law into their own hands. Although there has been a considerable fall in the number of cases instituted by tenants for failure to grant receipts the practice is still too common, especially in the Ranchi district. Numerous illegal exactions made by the landlords came to light during the year notably in the Palamau district where Congress workers were quick to turn the grievances of the tenants to their advantage. These exactions are now under examination and wherever they are proved heavy penalties are imposed. In Chota Nagpur the revenue officers can take the initiative in checking the irregular demands of landlords, but in Bihar and in the coastal districts of Orissa the enforcement of the tenancy laws is left to the tenant's initiative by way of suit in the civil courts and the revenue officers are not given an opportunity to stop illegal acts which are feared to be only too prevalent. Much of the trouble arises because landlords give too much power to their ill-paid staff, and exercise no personal control over them.

The tenancy law permits the landlord to file a suit in the courts for the enhancement of the rent due from a tenant when the rate of rent is below the prevailing rate paid by occupancy raiyats for land of a similar description with similar advantages in the same village, when there has been a rise in the average local prices of staple food crops during the currency of the present rent, when the productive powers of the land held by the tenant have been increased by an improvement effected by the landlord, or finally when the productive powers of the land have been increased by fluvial action. The enhancement, if allowed, continues in force for fifteen years. The law also lays down that the court shall not decree any enhancement which is unfair or inequitable. During 1930 there was an appreciable increase in the number of these suits filed in Bihar and in spite of the falling prices the courts were inclined to allow enhancements according to a mechanical rule which overlooked the cultivator's lower purchasing power. In 1932 the Patna High Court decided that it is incumbent upon the tribunal "to take into consideration the fact of the great economic

depression provided it is shown by evidence that in the particular circumstances of the case the economic depression will, if considered with the proposed enhancement, disturb the proportions of the profits allotted to the landlord and tenant respectively " measured in money value up to the time of the suit. To ignore the economic changes of the last few years clearly would be to render the money value of the proportion left to the tenant so low as to involve serious hardship. During 1931 there was a big drop in the number of enhancement suits, but it was still double the figure for 1922. In Bihar as well as in Orissa, the scarcity of money was responsible for a considerable rise in the number of suits for the recovery of rent.

There is a map of every district in the province and a record showing the rights of each tenant in the land he holds and the amount of rent which is due from him to the landlord. By giving the various types of ownership of the soil certainty and definition, this record is of great assistance in preventing disputes between landlords and tenants, but some of the district records, especially in north Bihar, are very old and need revision which is disliked by the legislature on account of its costliness. The revision of the record which is now in progress in the Ranchi district and in the Santal Parganas entails no change in the revenue which the Government receives from the landlords since that is permanently settled. In the coastal districts of Orissa, where most of the land revenue is fixed for a period of thirty years, the settlement operations which came to a close in 1932, performed a second function, that of revising the assessment of the land revenue, and the new assessment is likely to yield an increase of nearly seven lakhs of rupees. During the field seasons of 1931 and 1932, 4,174 square miles were cadastrally surveyed, the records of 4,303 square miles were attested, and the fair rents of 197,964 tenants were settled. The proposed change to aerial survey could not be adopted on account of the expense involved. The settlement in Ranchi has done much to regularize the relations between landlords and tenants, and it has also done valuable propaganda work for the conservation of the rapidly disappearing forests in that district. The tenants in some places were strongly opposed to the partition of protected forests with the landlords, but the settlement officers did everything that was possible to retard the destruction of what is left of the Ranchi forests.

With the growing interest of landowners and public it is hoped that the remaining forests of Orissa and Chota Nagpur will be

effectively preserved, and that floods, erosion, impoverishment of the soil and the other effects of denudation will be minimized. Already several far-seeing landlords have asked the Government to place some of their forest areas under scientific management. The Bihar and Orissa Forest Association aided by officers of the Ranchi settlement has conducted useful propaganda. School teachers have given valuable assistance by training the younger generation to take care of trees and by cultivating a higher appreciation of their worth to the community. In August 1932 the Government obtained the sanction of the Legislative Council to expenditure which will be incurred on the management of a number of private forests by Government officers. The tenants are still suspicious of what they consider to be an attempt to take away their rights, but a great change in the attitude of the public is in progress.

There was during the year an increase in the outturn of the chief classes of forest produce, amounting to seventy-three per cent in bamboos, but although the sale of bamboos yielded a higher revenue the total receipts continued to fall. The steep fall in the demand for timber, particularly by the railways, since 1930 has reduced the revenue of the Forest Department by over four and a half lakhs of rupees below the receipts of 1928-29. For the last two years expenditure has exceeded revenue, the deficit during the year under review being as much as Rs. 1,35,244. This figure does not take into account the produce, valued at Rs. 2,80,000, which is distributed free, or at privileged rates, to villagers in the 1,177 square miles of protected forests in charge of the department. Since 1929 expenditure, chiefly on capital works and conservancy, has been reduced by over a lakh and a half of rupees. The forests of the province, which include 1,838 square miles of reserved forests, now cost a little over seven and a half lakhs of rupees to administer and judged by their value to posterity, this cannot be said to be excessive. The work of the department would yield even better results if it would secure a more effective control over the protected forests.

The principal object of research in this province is the regeneration of the damper types of *sal* forest by means of fire protection and controlled burning.

The rainfall in Bihar and Orissa is seldom well distributed. Even in normal years certain areas suffer from drought and the rice crop is saved only by the presence of public and private irrigation works though agriculture is not so dependent on artificial irrigation as it is in other provinces. The Government maintains

three canal systems, the Son canals of south Bihar which supply water for two-thirds of the total area which it is possible to irrigate by canals, the Tribeni and Dhaka canals of north Bihar, and the canals of Orissa.

The total area irrigated by canal water in 1931-32 was 877,658 acres compared with the average of 890,117 acres during the preceding three years. In the canal areas of Tribeni and the Son river the area irrigated for the winter rice and *rabi* crops increased, but in Orissa there was a marked decrease because of the low prices and the good rainfall. The rates for canal water in Orissa were considerably reduced during the year but even then many cultivators failed to renew expired leases. Trade depression and lower rates reduced the revenue from irrigation and navigation but the gross receipts exceeded the working expenses on all except the Orissa coast canal. It is satisfactory that the expensive Tribeni canal in the Champaran district has paid its way for the first time. The total receipts were Rs. 38,65,158 and the net revenue realized was Rs. 20,36,821 as compared with Rs. 16,40,057 in the previous year. Taking the interest charges on capital expenditure into account there was a small deficit of Rs. 8,103.

The canals had an ample supply of water for distribution and the removal of silt has improved the working of the Tribeni canal. Good progress was made with the construction of a flood drainage cut from the Sur lake in the Puri district. Five hundred miles of flood embankment are maintained in Orissa. Lack of funds prevents the Government from undertaking any large scheme to prevent floods in this area. Floods were normal this year and caused no damage. Drainage projects for the reclamation of land in north Bihar were investigated but agriculturists have no money to finance them.

Traffic on all navigating canals continued to fall owing to bad trade, the total boat tonnage for the year being 333,532 tons compared with the average of 386,593 tons for the preceding three years and the tolls collected amounting to Rs. 1,15,465 compared with the average of Rs. 1,33,590.

The rivers of the province are important means of communication, especially in Orissa, but traffic on them has declined owing to the development of roads and railways. The total length of the major railway lines in 1931 was 3,548 miles, of which 2,046 miles were broad gauge, and 1,176 miles in north Bihar were metre gauge. There was no increase of mileage during the year: the new line, which connects Raipur with Vizagapatam and for 72

miles traverses a section of the Orissa states, was under construction and was opened to traffic in the hot weather of 1932. The survey of the proposed line on the Jaipur plateau, 75 miles of which passes through the Kalahandi State in Orissa, was finished. Railway extensions following the coal mines have done much to open up the Chota Nagpur plateau to trade and new industries and to ease the lot of landless classes like the *kamias* who in the past have been bound to the landlords by servile customs which mere legislation cannot eradicate. The novel conditions of alternative employment offered in mines and factories will prove to be more powerful agents in the decomposition of the semi-feudal life that still exists in the Palamau and Hazaribagh districts.

The hill country and numerous rivers of the province have retarded the growth of interdependent road systems in Bihar, Chota Nagpur and Orissa. They have also delayed the removal of the inconvenient gaps which exist in the provincial sections of the highways connecting Calcutta with Nagpur and Delhi respectively. But in recent years much has been done to improve all important roads.

The construction of an arterial road to connect Patna through Bakhtiarpur, Bihar, Rajauli and Kodarma with the Grand Trunk Road at Burhi in the Hazaribagh district is of importance to other provinces as well as Bihar. With the aid of the subventions received from the Government of India out of the proceeds of the additional duty of two annas on petrol, levied since March 1929 for expenditure on the development of roads in India, it was possible to take up the project about the end of 1930 at an estimated cost of nearly eight lakhs of rupees. The work comprised mainly the improvement of the stretch between Bakhtiarpur and Bihar, which was narrow and unsurfaced with a light railway on one flank, the construction of a new road between Rajauli and Debour and the metalling of the hill section between Debour and Kodarma. This work was practically finished and opened to the public in October 1932. It has since been decided to maintain the section of the road between Kodarma and the Grand Trunk Road, hitherto a district board road, from provincial funds. There is now a first-class road connecting Patna with the mica and coal-mining areas, and also with Calcutta and Ranchi. Motorists can travel in comfort from Patna through Ranchi, Chaibassa, and the Keonjhar State to Jajpur railway station in the Cuttack district of Orissa. In dry weather it is possible to motor from Ranchi, through Simdega and the Gangpur State, to Sambalpur and afterwards by a good road to Angul and Cuttack, or alternatively from

Sambalpur through the Orissa States on the right bank of the Mahanadi river to Khurda Road railway station in the Puri district. The unbridged river Ganges cuts off north Bihar from the rest of the province and its tributaries especially in the Bhagalpur division make communications difficult.

Great progress has been made in the bridging and realignment of the road from Ranchi to Simdega which leads to Sambalpur and forms a link in the route from Calcutta and Bombay through Raipur and Nagpur. Motorists travelling from Calcutta to Delhi along the Grand Trunk Road are delayed at Dehri on the river Son where they have to transport their cars across the river by rail. For some time it will not be possible to afford a road bridge at this place. Sixty miles lower down the river there is a combined road and railway bridge at Koilwar but at present this is connected with Arrah on the left bank and the road leading to Patna on the right bank only by rough tracks. The provincial Government are anxious to convert these tracks into a first-class road so that a motorist leaving the Grand Trunk Road near Burhi may travel without interruption through Kodarma, Bihar, Patna and Arrah to rejoin the Grand Trunk Road at Sasaram, and they hope to provide the necessary funds in 1933.

The department of Public Works maintains 1,663 miles of roads, of which 1,440 miles are surfaced, while the local authorities are in charge of 31,335 miles, of which 2,665 are surfaced.

During the year the important work of widening and improving the first one and half miles of the main road from Bankipur to Patna City was finished as far as three of the six sections were concerned and the serious congestion in this area has been relieved. The improvement of the remaining sections of the road must wait for financial recovery since the acquisition of house and landed property necessary to it is expensive. The zig-zag turns and bends on the road from Ranchi to Chaibassa have been widened and improved, and the completed bridge over the Burabalang river provides traffic from the Balasore district of Orissa to the Mayurbhanj State with a permanent means of communication.

During the year 1931 the tax on motor vehicles yielded approximately Rs. 5½ lakhs nearly four lakhs of which were distributed among district boards and municipalities for the improvement of their roads. Financial stringency in 1932 forced the Government to reduce the amount available for distribution by one half. The economic depression has reduced the number of registered motor vehicles from 8,500 in 1929 to about 5,000 in 1932, while

vehicles plying for hire have fallen from 1,900 to 1,000. Apart from the falling off in trade, the decreased motor traffic is a natural sequence to the rapid expansion which took place between 1925 and 1929. The revolution in methods of transport and the improved roads have broken down the isolation of rural districts; trade circulates more freely and prices as between one district and another are slowly being levelled although there is still a big difference between the price of rice in the dearest and cheapest districts. The cultivator is now much more sensitive than he used to be to the fluctuations of distant markets.

Until 1930 the building programme of the Government was directed to equip the province with all the institutions necessary to make it a self-contained unit. The province came into being twenty years ago and its limited resources have prevented rapid development, but it has now worthily housed most of the essential institutions, such as the university, medical and veterinary colleges, and a sanatorium. Few capital schemes remain to be carried out but they cannot be undertaken until finances improve. Work in 1931-32 was concerned with the replacement of old buildings and the rebuilding of schools and colleges on modern lines, but towards the end of the year even these schemes had to be curtailed.

CHAPTER III.

Finance.

For many years the annual review of conditions in Bihar and Orissa has laid emphasis upon the poverty of its financial resources and the obstacles in the way of expansion. Even in the prosperous years, the cost of administration in a province of thirty-eight million people was limited to six crores of rupees and compared with other provinces, progress in the work of equipping it with modern institutions has been slow and restricted. Its present system of taxation cannot finance the activities demanded of a Government in the twentieth century. The economic history of the last two years is a painful reminder of our financial limitations. By the end of 1931 revenue had fallen by nearly a crore of rupees and for some time five crores will be the limit of public expenditure which in proportion to the number of inhabitants is not less than thirty per cent below the expenditure in any other province. The more fortunate position of other provinces especially Bombay is shown by the following table :—

Province.	Population in millions according to the census of 1931.*	Revenue in crores of rupees (excluding extra-ordinary receipt) according to the budget estimate of 1931-32.	Revenue per mille.	Expenditure per mille.
1	2	3	4	5
			Rs.	Rs.
Bihar and Orissa ...	37·7	5·75	1,525	1,532
Madras ...	46·7	18·30	3,918	3,901
Bombay ...	22·2	15·10	6,800	7,125
Bengal ...	50·1	10·51	2,099	2,296
United Provinces ...	48·4	13·26	2,739	2,572
Punjab ...	23·6	11·18	4,737	4,589
Central Provinces...	15·5	5·12	3,301	3,139
Assam ...	8·6	2·67	3,104	3,147

* Except for Bihar and Orissa, the figures for other provinces are provisional.

It is true that the provincial revenues increased during the good years up to 1927 but the proportionate gain was far less than that enjoyed by other provinces. The real expansion took place only in the excise revenue which increased by over fifty per cent to nearly two crores of rupees in 1927. Subsequently there was a slight contraction in this source of income but before the bad trade of 1930 set in it accounted for more than a third of the total revenue. Land revenue contributed another third and the greater part of the remainder was derived from the sale of stamps under the Court-fees Act. In these two last sources of income there is no hope of much expansion.

The land revenue collected from four-fifths of the province is permanently fixed by an assessment made in 1793 when most of the soil was undeveloped and its yield in quantity and money value much lower than it is to-day. In many large estates, for example those of Chota Nagpur, there was no attempt to relate the fixed cash assessment to the value of the land even at that time. In other estates, most of them in Bihar, the British Government continued the earlier practice of taking the greater part of the current economic rent, but as the revenue charge in terms of money, and not the proportion, was fixed, it became a diminishing fraction of the rent with the subsequent appreciation in the value of the lands : to-day the State relinquishes nearly ninety per cent of the profits to the landowners, whereas in other provinces the proportion relinquished varies between fifty and seventy per cent. If the revenue settlement of all lands in the province were liable to periodic revision and if the State's share of current agricultural profits were fixed at forty per cent, the existing demand of Rs. 167 lakhs would be more than doubled. In the temporarily-settled estates of Orissa the recently concluded revision of the revenue demand is calculated to yield an increase of Rs. 6,85,000 in the land revenue, but this assessment will remain in force for thirty years. Although Bihar and Orissa produces seventy per cent of the coal and mica and ninety per cent of the iron ore in India, the local Government derive practically no revenue from this mineral wealth, but they are put to the heavy expense of policing the areas developed by these industries.

In the present economic situation the people cannot be expected to pay higher court and registration fees, or higher rates for the supply of canal water. In Orissa the canal water-rates have been reduced because of the very low prices of grain in that area. The excise revenue, whose expansion owing to the increase of wages had made possible the restricted development of the province between 1920 and 1929, is a precarious income extremely

sensitive to the fluctuations of trade and, under the Government policy of maximum revenue and minimum consumption, is incapable of rising beyond a certain limit; by 1932 the normal receipts of Rs. 190 lakhs had decreased by Rs. 70 lakhs. With these resources careful financial management enabled Bihar and Orissa to advance slowly and pay its way. The increase of new expenditure which had been justified by the large balance of 1926-27 had to be abandoned in subsequent years because the excise revenue had stopped expanding. The province resisted the temptation to mortgage its future, but it could not accumulate a reserve big enough to maintain the prosperity standard of ordinary expenditure, low as it was, during the critical period from 1930 to 1932.

The effects of depressed trade were apparent early in 1931. The outstanding fact of the financial year 1930-31 was that the excise revenue, first owing to anti-Government propaganda and later owing to the general shortage of money, was down by forty-three lakhs of rupees. The year had opened with a balance of Rs. 150 lakhs, eight lakhs more than had been expected, and the budget for 1930-31 had provided for a revenue of Rs. 584½ lakhs, expenditure chargeable to revenue of Rs. 601½ lakhs and a closing balance of Rs. 122½ lakhs. When the budget for 1931-32 was presented to the Council in February 1931, the Government expected a loss of excise revenue amounting to Rs. 42 lakhs and an increase in expenditure, due to the heavier outlay on jails and police necessitated by civil disobedience, amounting to Rs. 12 lakhs. On the transactions of the year 1930-31 the province was found to be Rs. 54 lakhs worse than had been expected twelve months before. Actually the accounts at the end of the year showed that the excise revenue had decreased by Rs. 50½ lakhs and owing to smaller receipts under other heads like stamps, forests and registration, the total revenue was Rs. 57 lakhs below the budget estimate of Rs. 584½ lakhs. On the other side of the account, expenditure charged to revenue was found to be Rs. 4½ lakhs more than the estimate of Rs. 601½ lakhs. Although expenditure on loans was reduced the gross deterioration on the budget estimate amounted to Rs. 47½ lakhs. The closing balance which the budget had expected would fall no lower than Rs. 122½ lakhs came down to Rs. 82½ lakhs. Of this the dangerously low sum of Rs. 31,45 formed the ordinary balance. Rs. 46,85 was in the Famine Relief Fund, and Rs. 4,22 was in the Road Development Fund.

At the time when the budget of 1931-32 was prepared there was no reason to suppose that the fall in prices which had marked

the year 1930 was anything more than a temporary factor. It was not known that it marked the beginning of one of the worst economic crises which the modern world has known. It was anticipated that there would be some recovery in the excise revenue, but the figures showed that the normal expenditure of the local Government would exceed its revenue. Accordingly certain economies were decided upon which had the effect of a saving in expenditure by Rs. 8¾ lakhs. All proposals for new public works were postponed and in order to finance the cost of those works which had been undertaken in the previous year, a sum of Rs. 20 lakhs was appropriated from the excess balance of the Famine Relief Fund. The budget, as finally framed, provided for a revenue of Rs. 575 lakhs and expenditure charged to revenue of Rs. 577½ lakhs. Including the capital heads total receipts were Rs. 597½ lakhs and total expenditure Rs. 618 lakhs. A total deficit of Rs. 20½ lakhs was thus anticipated on the working of the year.

During the year it rapidly became evident that the real financial position was likely to be far worse than the estimates indicated. The deepening of the economic depression showed that all Governments in India as in other parts of the world were faced with a financial crisis of the first magnitude. It became clear that the deficit could not be confined to the limits set in the budget and the constant preoccupation of the local Government was to reduce the expenditure during 1931-32 by every means possible and at the same time to prepare the way for the presentation of a balanced budget for the following year. The necessity for the strictest possible economy was enjoined upon all officers, and, in the first few months of the year, a survey was made of the possibilities of retrenchment in all parts of the budget. In August, as a result of this survey, the local Government ordered a series of retrenchments which were anticipated to give savings of Rs. 22½ lakhs in a full year and actually yielded a larger sum. The principal economy effected was to reduce the rates of travelling allowance, a number of posts were kept in abeyance and the grant of leave was restricted. Further savings were made in original works and repairs in the Civil Works budget and large amounts were retrenched from the various contingent grants. These measures remained in force for the rest of the year, and owing to the loyal manner in which controlling officers supported the call of Government for economy large sums were saved which were not included in any formal retrenchment programme. Towards the end of the year, the Secretary of State ordered a temporary cut of 10 per cent in the pay of members of the all-India services and the local Government applied a similar measure to the pay of the services under their

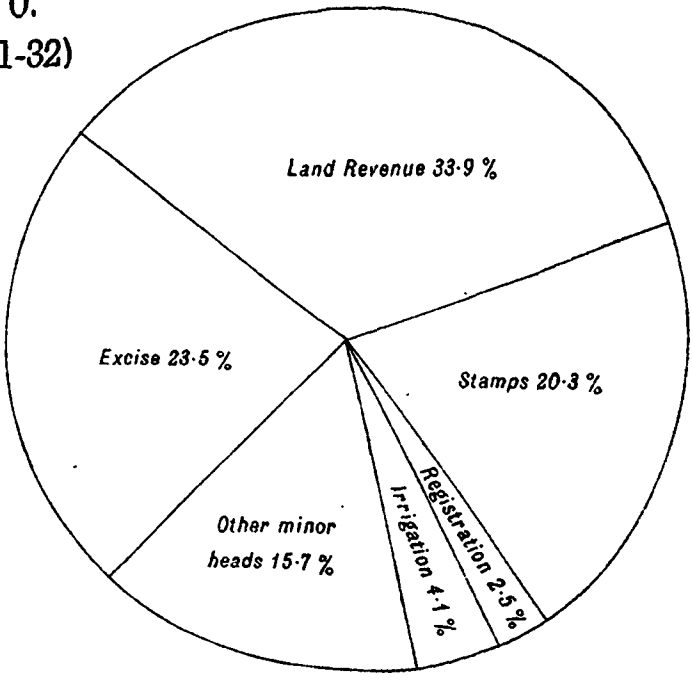
own control. The cut in pay resulted in a saving of just under Rs. 20 lakhs in a full year.

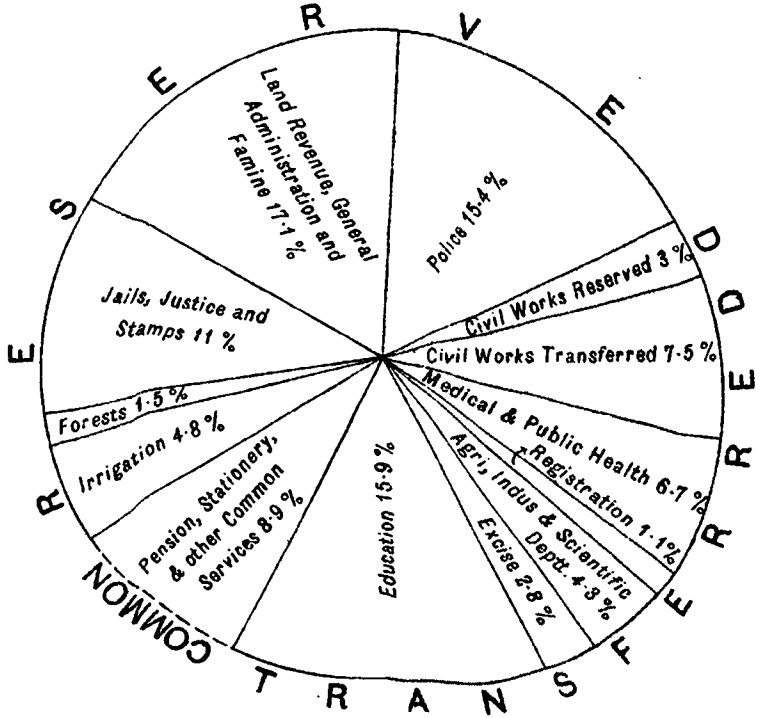
As a result of this campaign for economy the actual expenditure charged to revenue was reduced from the budget figure of Rs. 577½ lakhs to Rs. 542½ lakhs. The total revenue amounted to Rs. 519½ lakhs as compared with a budget estimate of Rs. 575 lakhs and an actual revenue of Rs. 527½ lakhs in the preceding year. After taking into account the transactions under the capital heads, the actual result of the working of the year was to reduce the provincial balances by Rs. 40 lakhs. Though this reduction was double the amount which had been anticipated in the budget proposals, it was very much less than the deficit which at one time appeared to be probable.

So far as the budget for 1931-32 was concerned, the only action possible was to salvage as much as possible out of the wreck. The more important problem was to present a balanced budget for the following year, and as the nature of the financial crisis became clearer, it became more and more essential that the next budget should actually be balanced. In the August session of the Legislative Council a resolution was passed which recommended the appointment of a committee to scrutinize the expenditure incurred on services and to report on the best manner of reducing the cadre, salaries and allowances of services both all-India and provincial. The wide nature of the field covered by this resolution made it impracticable for Government to accept it in its original form, but an undertaking was given that if further retrenchments became necessary Government would associate representatives of the Legislative Council in the search for further economies. Early in November a preliminary forecast of the position revealed the fact that apart from the savings to be anticipated from the cut in pay, which had then been decided upon, it would be necessary to effect further savings of about Rs. 30 lakhs in order to balance the budget for 1932-33. Government thereupon invited five representative members of the Legislative Council to form a committee with the Finance Member of Government and the Finance Secretary to examine the budget estimates and to advise generally how retrenchments could best be made. No special terms of reference were imposed and the committee was left free to investigate any line of retrenchment which appeared to afford the possibility of economy.

The members of the committee carried out their work with energy and thoroughness. They met on the 19th November and sat continuously until the Christmas holidays when they issued their preliminary report containing proposals for retrenchment

Revenue in B. & O.
(Actuals for 1931-32)




RESERVED
TRANSFERRED
COMMON
Land Revenue, General Administration and Famine 17·1 %
Police 15·4 %
Civil Works Reserved 3 %
Civil Works Transferred 7·5 %
Medical & Public Health 6·7 %
Registration 1·1 %
Agri., Indus & Scientific Deptt. 4·3 %
Excise 2·8 %
Education 15·9 %
Pension, Stationery, & other Common Services 8·9 %
Irrigation 4·8 %
Forests 1·5 %
Jails, Justice and Stamps 11 %

Expenditure in B. & O.
(Actuals for 1931-32)

which could be put into effect in the estimates for 1932-33. Their final report embodying more radical proposals which could not be carried out at once, was issued in February 1932. Officials of all the spending departments were examined and they were asked to state what retrenchments they could make. The committee went through the estimates with these officials and investigated the exact effects of the proposals. Most of the departmental proposals were accepted, but the committee did not confine themselves to this part of the work, and they made far-reaching proposals on their own initiative.

In their preliminary report the committee made recommendations which, if accepted, would have reduced expenditure by Rs. 25,02,000. Most of these were adopted by the Government either as they stood or in a modified form, and the total general effect was to give savings of Rs. 21,15,000. The difference between the two figures of Rs. 3,87,000 is due chiefly to the fact that the Government were not able to accept proposals for the reduction of a large number of police-stations, the abolition of the Jamshedpur Mounted Police Force, and the imposition of a cut of five per cent on police officers drawing over Rs. 40 but under Rs. 160 a month. The figures of serious crime and the renewal of civil disobedience did not permit reducing the number of police-stations and whenever the Government have attempted such a course there has been an outcry from the local inhabitants. The need of a mounted force at Jamshedpur is generally admitted and its presence there would dispense with the expensive emergency measures which have been necessary in the past when labour trouble occurs. The extent to which the police force should be subject to a general cut in pay was decided on uniform lines for the whole of India and the local Government would not be justified in extending the reduction beyond the limits applied elsewhere.

The retrenchment of Rs. 21¼ lakhs covered the whole field of public administration in varying degrees. Several of the committee's recommendations endorsed or made permanent economies which had already been taken in hand by the Government, such as the amalgamation of the post of Director of Land Records and Surveys with that of Settlement Officer. In almost all departments posts were left unfilled and allowances cut, and in many there was an actual reduction of staff, notably in the excise, registration, education, medical, public health and industries departments. The Inspector-General of Police effected the large economy of Rs. 1,67 by reducing allowances and expenditure on clothing and equipment to the bare minimum and by abolishing

the police band. Similar retrenchments were made in the jails department. Two posts of additional Judges of the High Court were allowed to lapse and the number of telephones reduced. His Excellency the Governor decided to abolish his mounted escort, discretionary grants were kept to a low level and leave was to be granted only when absolutely necessary. Rewards, stipends and scholarships in the schools and colleges were abolished or reduced and the provision for the training of teachers was cut down. Grants to the leper asylums were reduced and those for water-supply and public health were omitted from the budget. The projects for new experimental farms were held in abeyance and no provision was made for experiments in sericulture and other industries. One whole division in the Irrigation department was abolished and the provision for repairs, maintenance and minor works generally was reduced. The largest reduction was made in civil works which by March 1932 had been cut down from Rs. 81 lakhs to Rs. 41 lakhs. Going beyond the committee's proposals the Government later on cut out the whole provision for original major works. Heavy retrenchments were made under forests and still more were contemplated.

The committee's second report contained their major proposals, such as the reduction of the pay of new entrants in all services, the abolition of the posts of divisional commissioners and Chief Inspector of Factories, the amalgamation of the Irrigation department with that of Roads and Buildings, the combination of the post of Inspector-General of Jails with that of the Inspector-General of Civil Hospitals or that of the Director of Public Health, and the ultimate amalgamation of the Public Health Engineering department with the Public Works department. These proposals have been examined by the Government, and although some of the changes involved would be inadvisable during a period of political transition and would on other grounds endanger the public welfare progress has been made with those which are not likely to dislocate the administrative machinery. The Government agreed with the committee that the proposal to amalgamate the departments of agriculture, co-operative credit and industries would not be feasible. No new contracts with Public Health engineering staff have been concluded beyond the period during which three important water-supply works at Puri, Patna and Daltonganj will be completed and the transfer of the department to the control of the Public Works department will then be considered. The Secretary of State had been asked to sanction the reduction of one post of Superintending Engineer in the Irrigation department and the amalgamation with

the Roads and Buildings department is being worked out. With the separation of Orissa the combination of Prisons, Public Health and Hospitals under one officer will be considered. The Government consider that the abolition of the five Commissioners would be dangerous at present, but they have worked out new scales of pay for new entrants to all services under their direct control who join after the 1st September 1932. No expenditure is to be incurred on the proposed settlement in Dhalbhum until the Council have had an opportunity of discussing it. The contribution to the Survey of India has been discontinued. Expenditure on vaccination has been reduced by transferring to seven district boards the administration of the Vaccination Act and it is hoped that other district boards will assume these functions. The allowances drawn by the examination committee have been abolished.

For the small budget to which the province is condemned this is a formidable record of economies. The committee deserved the praise they received for their practical advice and credit is also due for the prompt way this advice was translated into action. Notwithstanding the drastic measures by which Rs. 27 lakhs had already been saved during 1931-32, the Government in January 1932 found that it would be necessary to reduce the public expenditure by a further Rs. 11½ lakhs in 1932-33 if the budget was to be balanced. Rs. 5¼ lakhs of the shortage were found by further reductions of the grants for minor works, by cutting down the provision for police arms and accoutrements, by discontinuing medical examination in schools and by financing the commutation of pensions from capital, that is from the excess balance in the Famine Relief Fund, instead of revenue. In the final budget the provision for new schemes was reduced to Rs. 3,64, Rs. 2,58 for essential police forces and Rs. 1,06 in the transferred departments.

The balance of Rs. 6 lakhs had still to be found. The total primary education grants of the Government amount to over Rs. 34 lakhs. After some difference of opinion it was decided that a ten per cent cut in these grants, though regrettable was necessary. The proceeds of the tax on motor vehicles during the year were expected to amount to a little over Rs. 6 lakhs. The Legislative Council had agreed to this tax on condition that all the proceeds should be distributed among the local bodies for the improvement of their roads. The financial emergency forced the Government to reduce the amount available for distribution by one half. Police expenditure was again reduced by half a lakh of rupees and the total cuts made in the budget of the reserved departments amounted to Rs. 1 lakh. In this way further savings of Rs. 7,46 were

effected and the goal of the financial policy of the year was attained and a balanced budget was actually achieved.

The Government were aware of the very strong objections to these measures but they were convinced that the dangers of presenting an unbalanced budget were much stronger. The measures involved the sacrifice of most of the progress which had been made during the preceding decade. Though this sacrifice was required as the contribution of the province to the general financial safety of India, a great part of the retrenchments were of a nature which could not be repeated or retained for more than a year or two. It is probably correct to say that the budget proposals of 1932-33 represent the extreme limit to which, in a period of grave financial crisis and under an official Government, the public expenditure of Bihar and Orissa can be reduced. The revenue resources assigned to Bihar and Orissa under the present settlement have fulfilled the fears so often expressed in the past, that they are thoroughly inelastic, liable to fall in times of economic difficulty, and extremely inadequate to finance a modern province.

The last financial events of 1931-32, the sittings of Lord Eustace Percy's Committee, exhibited this fact in the clearest possible fashion. The report of that committee, which was written after a searching expert enquiry into the finances of the province showed clearly that unless an addition of some Rs. 70 lakhs was made to the revenue of Bihar and Orissa financial equilibrium, even with an extremely low standard of administrative cost, was impossible.

CHAPTER IV.

The Legislature.

The Legislative Council met at Ranchi in August 1931 and again at Patna in February and March 1932. There were twenty-seven meetings in all; eleven were devoted to the general discussion of the budget and to the voting of demands; non-official business took up ten meetings and official business the remainder. The Hon'ble Babu Nirsu Narayan Sinha had been elected President, and Rai Bahadur Lakshmidhar Mahanti Deputy President of the Council at the session held in January 1931 and they held charge of their respective offices throughout the year. His Excellency Sir Hugh Stephenson addressed the Council at the close of the session in March 1932 before bidding farewell to the province, and his speech will be found in Appendix IV.

Two by-elections were held during the year to fill vacancies in the Indian Mining Association and the European constituencies. Both were uncontested.

Two Bills were passed by the Council during the period under review. The first was the Patna University (Amendment) Bill which was introduced by the Hon'ble Minister for Education in February and passed in March 1932. In the session held in August 1931 a private member had introduced a Bill which purported to give effect to reforms in the constitution of the University which were considered necessary by the Senate, though the University itself had nothing to do with the framing of the Bill. Three of the changes proposed were the deletion of sections of the Act of 1917 which were now obsolete, the creation of a board to co-ordinate the work of the colleges at Patna, and finally the legalisation of the present ratio between the numbers of teachers and non-teachers on the University Senate and Syndicate.

To these changes the Government raised no objection but they strongly opposed the further amendments which were designed to make an invidious distinction between the colleges at Patna and those in other parts of the province and also to constitute a university service practically independent of Government control. The Government considered that all colleges in the university should be treated alike and they refused to commit themselves to expenditure on a mixed institution, partly teaching and partly federal. A

university service would still be dependent on the public funds; as long as the Government paid the cost they would have to retain control over appointments. The Government had recognized the right of the university to a large measure of control over appointments by constituting the present selection boards which consist of the Vice-Chancellor, the Director of Public Instruction, a non-teacher appointed on the recommendation of the Syndicate, and two expert members nominated by the Syndicate.

The Council allowed the private member's Bill to be circulated but, in the Session held in February 1932, it was withdrawn as the Government introduced a Bill of their own. This Bill proposed to give legislative sanction to things as they were until money would be available for a more radical reorganization : it revised the composition of the University Senate and Syndicate by allowing the non-teachers increased representation, and it established a board to regulate the concerted efforts of the Patna colleges.

Most of the opposition to the Bill came from those who were in favour of a mixed type of university and allegations were made, which were emphatically denied by the Government speakers, that the Bill was an attempt to destroy for ever the ideal of giving the province a real teaching and residential university. Members of the opposition admitted that the chief obstacle to the creation of an independent university with a service of its own was the absence of endowments other than those which came from the public revenues. A select committee of the Council examined the Bill and after several amendments had been rejected it was passed.

The Bihar and Orissa Municipal (Amendment) Bill, which had been introduced in the winter session of 1931 and referred to a select committee, was also passed in March 1932. The majority of municipalities in the province had failed to collect their taxes and the arrears were mounting rapidly. The legislature as a body was opposed to wholesale supersession and in response to the suggestion of certain members the Government decided to place in the hands of municipal executives a weapon which would help them to retrieve their finances for themselves. The Bill proposed that for three months with effect from the 1st June 1932 municipalities should be authorized to recover all old arrears not barred by limitation by filing certificates under the Public Demands Recovery Act in the court of the Collector of the district. With the Collector's permission they could permanently use this power to recover current arrears which they had failed to realize by distress and sale. Municipalities were given the power to ask the Government at any time to take over the work of collecting taxes and the Government

was empowered to do this on their own motion whenever such a course would be necessary. Civil suits had proved entirely ineffective and there was a strong feeling among members of municipal boards themselves that they should be vested with larger powers. An attempt was made to re-circulate the Bill, but the Hon'ble Minister pointed out that the local bodies had already been consulted and that further delay might be disastrous. Eventually the Bill was passed and it is hoped that municipalities will exercise their new powers to good purpose.

Three other non-official Bills were introduced during the session held in August 1931 and one during the session of February 1932. The Bihar and Orissa Local Self-Government (Amendment) Bill proposed that the chairmen of all district or local boards should be replaced by a president to be elected in the same way as a president of a municipal board. The Council rejected a motion to refer the Chota Nagpur Tenure-holders' Rent Account (Amendment) Bill to a select committee. The Bill sought to provide separate rent accounts of the part owners of a tenure in order to protect those share-holders who paid their rents regularly against the legal consequences of non-payment by other share-holders. Government considered that the proposal would jeopardize the right of the landlords to maintain the unity of the tenures created by them and also the joint liability of all co-partners for the rent of the whole tenure. The subdivision of tenures would result in a large increase of tenures and a multiplication of landlords. A further objection to the Bill was that it provided no fair method of assessing the rent on the separated shares. There is no doubt that the proposed legislation would produce an unworkable system of fractional rents and would involve all parties in unnecessary and expensive law suits.

The Religious Endowments Act of 1863 provided for the appointment of committees to regulate the management of seven Hindu and Muhammadan institutions in this province. The members of the committees hold office for life unless it is brought to the end by the decision of a court of law and many members are said to neglect their duties for this reason. The amending Bill which was introduced in 1931 proposed to limit membership to five years in order to ensure better management; to regulate the elections; and to authorize the preparation of an electoral roll of all persons entitled to vote. No rules have been framed for the holding of the elections as was contemplated by the Act of 1863 and at the present time it would be impossible for the Government to attempt to frame such rules or to define the constituency of voters

which for Hindus would be a very large one. The general opinion was that no useful legislative action would be taken for the benefit of only seven endowments, and that it would be better to await the recommendations of the committee which is now enquiring into the general question of Hindu religious endowments. Muhammadan institutions would have to be treated independently. The mover finally withdrew the Bill.

A second Bill to amend the Local Self-Government Act proposed to limit the excusable absence of members of a district board, local board or union committee to four consecutive meetings, and to empower a board to appoint on its finance committee any person, not a member of the board, who might possess qualifications for the work. The Council allowed the Bill to be circulated in February 1932. Notices of two other non-official Bills were received but the members concerned took no further action. The Bill enabling district boards to tax carts was not proceeded with, and it was allowed to lapse.

Twenty-three resolutions on matters of general public interest were discussed out of one hundred and twenty-one tabled. Of these five were adopted, eleven were withdrawn, and seven were lost. In the grave financial situation which developed in 1931 it was natural that debates on retrenchment and the economic situation should acquire exceptional prominence. In the August session the Government accepted a resolution urging them to adopt every possible measure of economy but they opposed a resolution recommending the appointment of a committee of non-official and official members to examine the expenditure on the services and to discover ways of reducing the cadres, salaries and allowances. They considered that an enquiry by a provincial committee into matters affecting the whole of India would be unprofitable but the Council passed the resolution. Later in the year the Government appointed a committee of five non-official members of the Council to advise on retrenchment generally. Another resolution urged the Government to reduce the rates charged for canal water supplied to cultivators from the Son, Tribeni and Orissa canals. These rates vary between Rs. 2-8-0 and Rs. 7-8-0 an acre according to the season and length of time during which the water is supplied. In Orissa, where there is only one crop and prices are very low, the Government had already made a substantial reduction but members pointed to the example set by the Governments of the Punjab and United Provinces and urged the need of making general a much bigger reduction of rates, the cost of which was estimated to amount to Rs. 8 lakhs. The Government admitted that the fall

of prices to the level which obtained thirty years ago had reduced the cultivator's profits but they could not agree that the tenants in Bihar who received the benefit of adequate irrigation were incapable of paying a price which left them with a considerable margin of profit. The diminished revenue of the province could not afford the loss of another Rs. 8 lakhs when there was no real incapacity to pay. Although the resolution was passed the Government were unable to reduce the rates.

The Council by a large majority rejected the argument that the bad trade justified the remission of 25 per cent of the current year's revenue and rent which was embodied in another resolution. The land revenue is now the principal income of the province and, even in the temporarily-settled estates of Orissa, it is a light charge which has been paid without difficulty. The Government have power to reduce rents only in parts of Orissa and there they are lower than they are elsewhere. A twenty-five per cent reduction of the landlord's contribution to the revenue would be most unfair to other classes of people.

The fall in prices was also made a plea for stopping the issue of certificates for the recovery of arrears of road cess until the existing valuation on the basis of which the tax had been assessed could be lowered. The highest rate of cess is paid in the Gaya and Patna districts where it amounts to nine and ten annas an acre respectively, but although the valuation in these districts was made during years of good prices it was not pitched as high as those prices warranted. Elsewhere the rate is much lower. Cess forms the principal revenue of the district boards and is spent on roads, schools and dispensaries for the direct benefit of those who pay the tax, and the rate-payers' representatives have full control over the money. Ten annas an acre is not an unreasonable contribution for the upkeep of these important social services. The effect of the retrograde measure which the Government were urged to take would be to put many district boards out of action for a number of years, an event for which few members of the Council were prepared to be responsible. Revaluation is a long and expensive proceeding which would add to the burdens of tax-payers. Smaller funds would entail fewer schools and dispensaries and for this contraction of services the elected members of the tax-payers on the district boards, and not the Government, should take the responsibility. Members of the district boards who were present in the Council strongly opposed the measure and eventually the resolution was withdrawn.

Government speakers shared the alarm which was expressed at the growing unemployment among educated classes in the

province, a feature which is common to every province in India, but they could not agree that the appointment of a committee to enquire into the causes of the unemployment would add much to our knowledge or contribute to an effective solution of the problem. The Government are doing all they can to encourage vocational and technical training in schools, but so far very few young men have shown any desire to take up scientific agriculture or industry as a career. Matters would improve if students could get rid of the bias in favour of a merely literary education. Moreover the present unemployment arises from economic factors which are not directly amenable to action by the local Government. Special attention is paid to the employment of natives of the province in Government services and everything that can be afforded by the public revenues is done to increase sources of employment. The resolution for the appointment of a committee was withdrawn.

It was explained that extreme financial stringency alone prevented the Government from adopting the expensive measure of establishing agricultural gardens and introducing vocational training into all middle and high schools. For the present the province will have to be content with a more modest programme and the Council on financial grounds rejected the proposal that such a big scheme should be introduced as soon as possible. Money is not available for making grants for the maintenance of village roads or for multiplying the number of agricultural demonstration farms. The successful experiments in ericulture in Orissa are also hampered by the lack of funds. The resolutions urging more expenditure on these projects were withdrawn.

Another resolution recommended that the Government should remove all restrictions now imposed on the cultivation and sale of *sabai* grass by the *Paharias* of the Rajmahal subdivision in the Santal Parganas. *Sabai* grass is used to manufacture paper and the problem in the past has been how to guarantee to the cultivator a fair price and freedom from exploitation by contractors and *mahajans*. Government interference is alleged to be responsible for a great fall in the yield of the crop but the most important cause is that for twenty years there has been no weeding which is essential to prevent deterioration. Capital is necessary to weed the fields effectively and the object of Government action was to see that such capital would be available. A scheme was drawn up with the consent of most of the *Paharias* by which out of the Rs. 1-6-0 per maund paid by the paper mills Re. 1 will go to the contractor and six annas will be funded for the renovation of the fields. The contractors, who form a sale union, will pay Re. 0-3-3 per maund

to the cultivator and with the balance they will be responsible for weeding, harvesting and carting the grass to the markets. This scheme was criticised because the cultivators were deprived of a free market and also of the six annas per maund which was said to be spent on unnecessary establishment. The Government speaker stated that the *Paharia* could still sell to anyone but he must sell to the sale union if he wishes the grass to go to the paper mills. Prior to Government interference the cultivator was at the mercy of an uncontrolled *mahajan:* now he is assured of a definite price from a controlled sale organization and also of sufficient capital to ensure the increased productivity of the crop. The Council agreed that the scheme should be given a trial and the resolution was negatived.

In August 1931 the Council unanimously adopted a resolution recommending that adequate representation should be given to aboriginals on the Round Table Conference and the Government undertook to do everything possible to see that their interests would not be neglected.

In a province of so many castes and communities there are great difficulties in the way of recruiting the provincial services by means of a competitive examination and the appointment of a committee to secure the fair representation of all communities in Government services would not help matters at the present juncture. The resolutions recommending this course were withdrawn after discussion. In recognition of the strong feeling among Muhammadans on the subject the Government agreed to allow one extra holiday for the *Id-ul-Fitr* and one for the *Id-uz-Zoha.*

Criticism was directed against magistrates who deliver judgment in criminal cases on the day before a long period of holidays on the ground that the accused person was thereby denied the right of petitioning for bail in a superior court, and the Council passed a resolution asking the Government to put a stop to the practice. The law does not prohibit the delivery of judgment on any day on which the court is open and magistrates and judges generally facilitate the presentation of bail petitions during the holidays. A copy of the discussions in Council has been forwarded to the High Court and circulated among all magistrates to ensure that accused persons are not deprived of the usual facilities during the holidays. The proposal to close the civil courts during the hot weather months of April and May instead of during the monsoon would be unpopular with the public and the legal profession and it was rejected by the

Council without a division. The Council also negatived a resolution urging the Government to appoint lawyers to conduct prosecutions in magisterial courts instead of entrusting the work to police officers. The Government speakers had no difficulty in showing that the police prosecutors were efficient and well trained and that they were a much cheaper agency than pleaders. The direct recruitment of subordinate judges from the bar in place of the system by which they are now promoted from the cadre of munsifs is a very debateable proposition : it would be a mistake to do away with a system which has yielded good results in favour of one which is likely to attract only third-rate lawyers. The resolution urging recruitment from the bar was ultimately withdrawn. Government refused to take on the duties of realizing municipal taxes from those of its servants who reside in municipalities and the resolution was negatived. The Council refused to recommend that students should be exempt from fines when they fail to pay tuition fees.

Two days were spent in discussing the budget for 1932-33 and nine in voting demands for grants. Forty-two motions for the reduction or omission of budget demands were debated; three were carried, eight were rejected, and thirty-one were withdrawn. Apart from the annual demands, fourteen supplementary demands and one demand for an excess grant were presented to the Council and all were carried without a division.

The budget was introduced on the 17th February 1932 by the Hon'ble Raja Rajendra Narayan Bhanja Deo, O.B.E., the Finance Member of the Government. He described the heavy sacrifices which the Government had been forced to make during the year in order to escape financial disaster. A previous chapter gives a detailed recital of the effects of the economic crisis on the revenues : income had fallen by nearly Rs. 60 lakhs below the estimates, but by a reduction of Rs. 27 lakhs in expenditure the Government hoped to close the year with a balanced budget. The Finance Member paid a high tribute to the public-spirited way in which the committee of non-official members of the Council had, at the sacrifice of much time, carried out the difficult task of advising the Government on retrenchments. For 1932-33 the province could not expect a revenue more than five crores of rupees and the expenditure charged to it was estimated at Rs. 499 lakhs, one crore of rupees less than the annual expenditure two years before. The budget allowed a closing balance of Rs. 30 lakhs, of which Rs. 26 lakhs would be in the Famine Relief Fund, Rs. 3¼ lakhs in road subventions and

Rs. 62,000 in the ordinary balance : the province now has practically no margin left for further emergencies and progressive schemes are out of the question.

The great reduction of expenditure to ensure a balanced budget won general approval among members of the Council and the fact that four-fifths of the recommendations of the retrenchment committee had been put into effect within a month of the receipt of their report made a good impression. The failure of the Government to accept the full proposals of the committee for the reduction of police expenditure drew criticism but the disturbances caused by the revival of civil disobedience in the early months of 1932 showed that such a reduction would have been dangerous. Criticism was also directed against the reduction of expenditure in the transferred departments of industries and education, particularly the recent decision to impose a ten per cent cut on grants for primary education. The reduction by one half of the amount to be distributed from the proceeds of motor vehicle taxation among local bodies was condemned as a breach of the undertaking which was given by the Government when the Council sanctioned the taxation. The second report of the retrenchment committee containing more radical proposals for economy had been presented to Government a few days after the budget was introduced and obviously required longer consideration, but a good deal of the discussion was devoted to them. In particular there was a demand for abolishing highly-paid posts, like those of divisional commissioners, for increasing the employment of members of the provincial civil service in higher posts like that of the Excise Commissioner, and also for reducing or amalgamating the public works, irrigation and public health departments. Most speakers realized however that the Government had carried out prompt and courageous economies and that the sacrifice had been equitably distributed among all departments. It is important to remember that out of a total bill of three crores of rupees paid for salaries more than one half represents the pay of non-gazetted and ministerial officers, the subordinate police and menials; one quarter represents the pay of the provincial services and one-fifth the pay of the all-India services.

The detailed discussion of the budget gave non-official members of the Council an opportunity to draw attention to the regrettable consequences which followed the renewal of civil disobedience in January 1932. The action of the Government in re-introducing the ordinances received a very large measure of support. The speeches even of the hostile critics were noteworthy for their

moderation and all speakers were alive to the need of defending the public from the violence organized by the Congress. As one non-official member put it, if the Congress had decided to make war, then the consequences of waging war must ensue. The riotous attacks on magistrates and police which occurred in Monghyr and other districts of north Bihar during February and March had created an extremely grave situation and the danger was removed only by the firm administration of the ordinances and the discipline of the police. The Council refused to censure the Government's policy or the conduct of their officers and the motion to reduce the budget provision for the Governor's Executive Council was defeated. A later motion to reduce the provision for the police as a censure of the Government's decision to post additional police in the disturbed areas of the Monghyr district was withdrawn. Some of the opposition speakers stated in plain-spoken language that the Government had taken the right action to prevent lawlessness. The only alternative was to strengthen the permanent police force of the district. The debate showed that the great majority of people were tired of disturbances and that they welcomed firm measures to secure peace.

Some members thought that the salaries of the Ministers should be reduced from Rs. 4,000 to Rs. 2,000. The Ministers had already accepted a ten per cent cut and it would not have been fair to penalize them more than other officers of the Government. Government speakers made it clear that in making appointments to the Secretariat of the Political department and also to posts under the Court of Wards they were guided only by the desire to obtain the most suitable man available. As in previous years the employment of Europeans as managers of estates administered by the Court of Wards, particularly the Bettiah Estate, was strongly criticised and it was urged that natives of the province should in future be appointed. The Government insisted that the Board of Revenue should be left free to select the best man available, whether Indian or European, but the Council carried the motion for a cut in the budget provision by one vote.

Another motion arose from the comments made by an appellate court in a criminal case at Arrah which found that the trying magistrate was annoyed with one of the accused, a shop-keeper, who had refused to give him more credit and impugned the conduct of certain police officers. The Government had censured the magistrate but after further enquiry had been unable to share the court's criticism of the police officers. The motion was not carried.

Cuts were moved in the provision for civil courts and the administration of justice in order to draw attention to the inadequate recruitment of Bihari Hindus to the posts of district judges and public prosecutors, the need of appointing honorary munsifs and of separating the judicial from the executive functions, and the inconvenient arrangement of civil court work at Hazaribagh. All these were withdrawn except the last which was decided in favour of the Government. An attempt was made to censure the authorities on the ground that political prisoners are unfairly classified for the purpose of determining the conditions in which they are to live during confinement. In reply it was pointed out that classification is governed by definite rules which are fairly administered and that prisoners placed in the lowest class have a right of appeal to the Government. The Council rejected the proposed cut.

Dissatisfaction was expressed at the ten per cent cut in the grants for primary education and it was urged that these should be restored by carrying out further retrenchment in other departments. The reply was that the funds allotted were as much as the present financial situation would allow. There were non-official members who admitted that the large expenditure on primary schools in the past had yielded unsatisfactory results and it was considered that local bodies might well improve the system by closing ineffective schools owing to their smaller funds. The total grants at present amount to Rs. 31 lakhs, but the Council did not consider this enough and the cut motion was passed. The Government was pressed to provide more facilities for teaching Hindi and Urdu in the colleges.

Speakers urged that too much money was spent on the establishment of the Public Works department in comparison with expenditure on the reduced volume of work. Retrenchments have been carried out in the department and the Council negatived the motion to cut the provision. The Government succeeded in convincing members that the reduction in the grant made to local bodies from the proceeds of motor vehicles taxation was not a breach of faith but an emergency made inevitable by the fall in revenues. The Council could not agree to the abolition of the Fisheries department. Members recognized that owing to the shortage of funds it was impossible for the State to finance ambitious schemes of agricultural and industrial development and they pressed for a reduction in the salary of the Director of Industries when a new appointment would be made.

The Government satisfied the Council that the Public Health Engineering department was doing important work which for the present could not be done by any other agency and they promised to examine the question of combining the Public Health department with some other office like that of jails or hospitals. The criticism was made that the Government had not made progress with new schemes of irrigation which were necessary in north Bihar. In reply it was stated that the revenues of the province could not be spent on local projects for land improvement which would be restricted to small areas. Though the rainfall in this province is uneven it cannot be said that there are any areas which cannot be cultivated at all without artificial irrigation as there are in the Punjab, Sindh and the United Provinces. The Son canal meets a real need in south Bihar and pays its way. Cultivators complain that the rates charged for irrigation are too heavy and in the Tribeni canal in north Bihar the revenue for many years failed to cover working expenses. In north Bihar where floods are difficult to control artificial irrigation is bound to be very expensive and its benefit restricted. The Government would not be justified in raising loans to finance schemes of doubtful value. These arguments failed to defeat the motion for a cut in the budget provision.

In requesting the Council to assent to a supplementary grant to defray the cost of loans and advances made by the Government to cultivators during 1931 it was explained that the total charges for the year came to Rs. 4½ lakhs compared with the budget estimate Rs. 3 lakhs. The Bhagalpur division had absorbed the greater part of the loans. Scattered areas all over north Bihar had suffered from floods and hail-storms. As the necessity for assistance arises quickly it is important that loans should be promptly distributed. This object had been successfully attained. In the Champaran district the Bettiah Estate and the Government had distributed loans amounting to Rs. 57,000 none of which the tenants will be required to repay.

CHAPTER V.

Local Self-Government.

In the second year of their three years' term of office all district boards were faced with a steep fall in their income due chiefly to the curtailment of Government grants. General economic depression foreshadowed difficulties in collecting the cess and it was clear that for some years the boards would have to be content with fewer activities and a lower standard of expenditure. The situation demanded immediate and large economies, and budgets had to be prepared on a conservative scale. Most of the boards carried out with commendable zeal the unpleasant duty of overcoming these financial difficulties, which were particularly acute in Manbhum, Hazaribagh, Gaya, Balasore and Bhagalpur, and in a year of great political excitement they are to be congratulated for eschewing infructuous debates and for devoting their attention so largely to the husbanding of their resources. Individual members of a few boards spent a long period in jail on account of their political activities, but in general the time of the boards was given to their real business and relations with the Government were satisfactory.

Business could be transacted much more quickly if district boards accepted the recommendations of their statutory committees with less discussion and showed more confidence in their executive officers. Fewer meetings would be required and a smaller expenditure on travelling allowances. At present all boards except three met more than once a month. Work was held up in some boards because members found it necessary to interfere with the selection of contractors by their district engineer.

Opening balances for 1931-32 amounted to Rs. 25,69,000 which was less than half the total balance five years previously. The non-recurring grants made by the Government in the prosperous years have been spent and new ones are not forthcoming. The closing balances fell to Rs. 23,89,000. Cess which is the principal income of the district boards is collected by the Government on their behalf. The shortage of money made collection difficult and in ten districts there was a serious and unexpected decrease in the sum realized below the estimates. The income of the two colliery districts, Hazaribagh and Manbhum, again fell. Revaluation raised the cess income of the Patna district by a lakh and

a half of rupees. The fall in the total receipts from the previous year's figure was only Rs. 20,000, which is less than might have been expected. Only five districts had a cess income exceeding five lakhs of rupees.

The Government grant for board schools was reduced by a lakh of rupees to Rs. 31,73,000 and the grant for medical relief from Rs. 4,23,000 to Rs. 3,53,000. On the other hand the grant for civil works increased by over a lakh to Rs. 5,71,000. Nearly three lakhs of rupees of the money realized from the tax on motor vehicles was distributed among district boards for the maintenance of roads and this made possible the increased grant. There was a fall in other sources of revenue, notably in the receipts of the Patna district board from its light railway.

Though the total receipts of the boards, excluding the opening balances, were short of the previous year's figure by a little over Rs. 2½ lakhs the amount available for expenditure decreased by about Rs. 7¼ lakhs to Rs. 159½ lakhs which is over Rs. 23 lakhs less than the figure for 1929-30. The amount actually spent fell by Rs. 5½ lakhs to Rs. 135½ lakhs, which is Rs. 10 lakhs lower than the figure for 1929-30. The amount spent on education increased from Rs. 43,93,000 to Rs. 44,10,000.

Some district boards hold the view that much of the money which is spent on lower primary schools is wasted and would achieve more permanent results if it were spent on middle schools. During the last five years schools of the higher status have spread far more rapidly than the lower primary schools and there is an increasing demand for English education. To allow this tendency to deflect the expenditure of the local bodies from vernacular education would be harmful to the growth of literacy among the rural population, but there are good grounds for believing that the primary schools would yield more satisfactory results if they were fewer in number and staffed with better men. District boards could improve the teaching system if they refused to appoint untrained teachers and if they could stop the transfer of teachers during the school session. If economic conditions improve local bodies may have to ask for more local taxation or an organized flow of voluntary subscriptions before they can hope for further expansion of the educational and medical institutions they wish to maintain. Twelve boards report that the children at their rural schools were medically examined during the year.

Expenditure on medical relief decreased by Rs. 10,000 to Rs. 14,95,000 and is now more than a lakh of rupees less than the

figure for 1929-30. It was effected chiefly by cutting down the supply of medicines to dispensaries. The Hazaribagh board had to abolish one dispensary and it transferred three others to the management of private estates, some of them under the Court of Wards. The board dispensaries are now allowed to charge small fees for prescriptions and this is being done at a few hospitals, including the headquarters hospital at Ranchi. The experiment marks an important change in public opinion.

District boards continue to take an active interest in the outdoor treatment of lepers. New clinics were opened in addition to the already large number maintained in Orissa, and the arrangements made in the Muzaffarpur, Patna and Saran districts were maintained.

In spite of their lower income district boards were able to make considerable progress with measures to safeguard the health of the public. Except in Manbhum, where drastic retrenchments were necessary, the standard of the previous year was maintained and in dealing with epidemics valuable work was carried out by the special staffs which are now employed in several districts. In particular the successful check to an outbreak of plague in the Muzaffarpur and Darbhanga districts deserves mention. In Muzaffarpur all available medical officers were quickly mobilized, including dispensary doctors, and 25,000 persons were inoculated. Arrangements in the Monghyr district were not so satisfactory. Epidemics of cholera broke out in several districts and the number of people inoculated was exceedingly large, especially in the Gaya, Patna and Cuttack districts. Elaborate measures are now taken to prevent epidemics starting at large fairs and festivals and the Patna district board adopted particularly successful methods at the Rajgir *mela*. The boards have given every assistance where experiments with bacteriophage have been tried.

An experiment to prevent malaria by means of antilarval and quinine treatment in a village in Orissa was successful. Vaccination against small-pox was made compulsory in four districts during the year and later in 1932 four other districts followed suit. The inexpensive administration of the Vaccination Act by seven district boards is inducing a greater readiness on the part of other boards to introduce compulsory vaccination. The prevention of cholera by disinfection of the rural water-supply is becoming slowly more effective in districts which employ a public health staff, but continues to be hampered by lack of co-operation from the villagers. Expenditure on the veterinary work of the boards

has decreased but the statistics show that the preventive inoculation of cattle is becoming more popular.

District boards spent Rs. 36½ lakhs on their civil works compared with Rs. 52½ lakhs in the previous year. Expenditure on original communications was reduced by over Rs. 4 lakhs to Rs. 7½ lakhs but there was an increase of Rs. 1½ lakhs in expenditure on repairs to roads, the total amounting to Rs. 23,39,000. The grant distributed from the proceeds of motor vehicle taxation accounts for the increase in the sum spent on repairs. It is to the credit of the Manbhum board that in spite of a falling income its expenditure on road repairs during the last three years has increased. Though most boards are beginning to realize the importance of meeting the increased demands of heavy motor traffic by improving their communications the tendency was still noticeable of looking to the head " communications " for retrenchments necessitated by an unexpected fall in income. The Government have made the grant of their road subvention conditional on the maintenance of not less than the average expenditure of the three years previous to the passing of the Motor Vehicles Taxation Act. Roads in a few districts have deteriorated and money has been wasted because work has been given to inefficient contractors; and this again has partly been due to the fact that these boards have not trusted the judgment of the district engineer.

The district boards of Orissa have co-operated with the Government officers in a vigorous campaign to get rid of the water hyacinth weed which has clogged the tanks and waterways. The methods used by Mr. Peck in Cuttack had succeeded in exterminating the weed from almost the whole of the district and when it re-appeared in some places during 1931 it was effectively removed. Marked progress has been made in the Balasore district and to a lesser extent in the Puri district. It is interesting to read that the staunch chaukidar is the best agent for dealing with the weed. However useful by-laws may be, personal drive and initiative are the essentials of a successful campaign, and so far these have been supplied by the district officers. Mr. Peck has investigated the growth and habits of the weed in the Patna district and has written an interesting monograph on the whole subject.

A local board is constituted to deal with matters affecting a subdivision of a district and so far it has been difficult to determine precisely how functions should be distributed between the local and the district boards so as to secure the maximum of efficiency with the least possible duplication of staff. In some

districts extravagance has been checked by requiring local boards to obtain the approval of the district engineer to their plans and estimates before sanctioning new schemes, and this system is reported to have worked satisfactorily. As a measure of retrenchment it might be wise to curtail the functions of local boards still further.

The 152 union boards, most of them in the Tirhut division, are intended to be self-governing units in the rural areas of the province. They control an average population of about 10,000 each. Apart from the grants they receive from the district boards they obtain an income from their own taxes. They are responsible for collecting and administering the chaukidari tax and in many districts their *panchayats* are empowered to try petty criminal and civil cases. In the general elections which took place during the year in a large number of boards most of the seats were contested, and it is reported that in two subdivisions of the Muzaffarpur district sixty-six per cent of the electors recorded their votes.

The resources of the unions are very limited. The average tax imposed by unions amounted to Rs. 780 which was slightly smaller than the figure for the previous year. The collection of taxes was delayed and the outstanding balance at the end of the year for all unions was 43 per cent of the current demand. In the Bhagalpur division the outstanding balance of the demand for the chaukidari tax was as much as 48 per cent, but it was much smaller elsewhere. Special officers appointed by the Government have stimulated the activities of the union boards of the Muzaffarpur district but it is regrettable that the district board has discouraged these unions from imposing taxes and that the same district board has made no grants to the unions for the last two years. Elsewhere the grants made by the district boards have increased and the average for the province is Rs. 1,962. There has been a slight decrease in expenditure on establishment and an increase in expenditure on education which is due to the transfer of additional schools to the unions by district boards. Civil disobedience had no effect on the work of the union boards and in some areas their *panchayats* are said to have done good work in trying petty cases. In the Sitamarhi subdivision of the Muzaffarpur district the inhabitants of a union turned out to repair roads, build schools and dig wells instead of paying taxes. But progress in village administration is generally slow and the continuance of malpractices shows the need of constant supervision.

This year again the Government has drawn attention to the extremely low level of municipal administration in all except sixteen towns of the province. Unlike district boards, municipalities have to find the greater part of their income from taxes which they themselves have to assess and collect. It is in this fundamental work of collecting taxes that the majority of municipal boards have lamentably failed. Half of them are on the verge of bankruptcy. At the end of the year under review the outstanding balances uncollected amounted to Rs. 7¼ lakhs which is equivalent to a quarter of the total current demand. Not only has the collecting agency broken down but the boards have often wasted municipal revenues by abusing the power of remission. The sums remitted during the last three years have steadily increased and in 1931-32 they amounted to over Rs. 2 lakhs. The remission of old arrears during the year were about 11 per cent of the arrear demand and current remissions were 3 per cent of the current demand.

A board which cannot collect its taxes becomes demoralized and fails to control its other work. The Government have suggested that one remedy for bad management, at least in the larger municipalities, would be to appoint an experienced executive officer outside local politics. He would probably recover more than his own salary by bringing down the number of remissions and stopping waste. He could check the work of the tax-*daroga* more efficiently than is done at present: remissions are frequently made on a recommendation by the *daroga* without even a petition from the rate-payer. But without the loyal support of the commissioners the executive officer could do little. During 1931 the Government lent the services of a member of the subordinate civil service to Monghyr municipality but the board refused to co-operate with him and he had to be withdrawn.

A more drastic remedy would be to supersede the boards which are on the point of financial collapse. But there are a large number of these and rather than carry out so sweeping a measure it was decided to place in the hands of the municipal commissioners the means of recovery. It is true that the boards already possessed wide legal powers to collect taxes. What they lacked was the will to exercise these powers. Still the large amount of uncollected arrears had created an exceptionally grave situation for which many of the existing boards were not so much to blame as their predecessors. In March 1932 in response to a suggestion from non-official quarters legislation was passed which strengthened the machinery for the recovery of arrears not outstanding for more than six years by permitting municipalities to recover these arrears by filing

requisitions to the Collector for certificates within a specified period. With this fresh authority municipal boards have little excuse if they fail to improve their position. The municipalities have also been given the option to ask Government to take over their tax-collecting functions and the Government have been authorized to assume these functions in case of default.

The alarming default in the business of tax collection cannot be put down to economic depression. That it is due to mismanagement in at least thirty-seven municipalities is clear from the fact that in twelve towns of different sizes and in different parts of the province the arrears for the year amounted to less than five per cent of the current demand. Of these Chapra deserves to be mentioned for an unbroken record of many years of excellent collections, and in Muzaffarpur an energetic chairman has rescued the municipality from slackness and bankruptcy and in the course of two years has reduced outstanding balances to one-seventh of their amount in 1930. In many towns taxation fails because it is based on an unsatisfactory assessment. Even where a Government officer revises the assessment, appellate committees of municipal commissioners sit in judgment on it and often stultify his efforts.

The total income of municipalities excluding opening balances fell during the year by Rs. 1,32,000 to Rs. 38,64,000. Government grants were reduced from Rs. 3,75,000 to Rs. 2,99,000 but the grant for education was increased by Rs. 13,000. During the previous three years there had been an increase under rates and taxes but this year receipts fell by Rs. 60,000. The opening balances increased by over Rs. 7½ lakhs chiefly owing to the grant of six lakhs of rupees to the Patna City municipality now in charge of a Government officer, for extending the water-supply. Though income fell, there was a rise in ordinary expenditure of Rs. 1,62,000 to Rs. 40,61,000, principally under public convenience and public health. The result was that closing balances fell from Rs. 8,71,000 to Rs. 6,40,000, which is definitely below the margin of safety. Audit reports criticise the increasing number of delays in paying bills and in paying salaries to the municipal staff, but many boards pay no attention at all to such details as audit reports. Extensive embezzlements came to light in Gaya and Monghyr. The generalisation that the more inefficient the municipality the larger the number of meetings still holds good and was especially true of the Monghyr board which the Government were compelled after the close of the year to supersede for gross mal-administration.

New drainage schemes could not be started owing to lack of funds but progress was made with one work in Patna City. The

Government officer in charge of the superseded Patna City municipality has improved the conservancy and effected economies by as much as thirty per cent of the expenditure on dust bins, carts and feeding the cattle.

A great deal of work was done for the improvement of municipal water-supplies by engineers of the Public Health department of Government. The trouble is that when a municipality receives a modern supply system, such as at Bhagalpur, Gaya and Monghyr, it will seldom keep it in proper repair or check waste. In Monghyr the Government engineer's advice was disregarded and the result was a serious shortage of water in the hot weather of 1932. The management of the joint water-supply at Patna is a model to other towns. Work has started on a big extension of water-supply in Patna City, and the tube-wells which have been sunk at Puri have been successfully tested. During the year important schemes were being carried out at Muzaffarpur and Daltonganj but there is no money for the work contemplated at Bhagalpur. The Government have paid for small tube-wells at Samastipur, Buxar and Dumraon, and others have been provided for.

Very few municipalities have made any attempt to employ midwives as was suggested to them by the Government but a good beginning has been made with maternity relief at Patna City, Muzaffarpur, Monghyr and Cuttack. Hardly any municipalities employ health officers. No general improvement of municipal roads has taken place but electric lighting of the streets was introduced by private enterprise at Chapra and Monghyr. And so ends a most depressing record of municipal affairs.

CHAPTER VI.

Education.

The most important educational need of the province is a more effective system of primary instruction. The growth of literacy has been extremely slow. According to the statistics of the census of 1931 barely five per cent of the total population of thirty-eight millions is literate; only one out of every one hundred and fifty women can read and write; literacy in English is confined to one out of every two hundred persons. It is not enough to build schools unless they can be staffed with trained and competent teachers. During the three years ending in 1926 there was a rapid expansion in the number of primary schools and pupils as a result of the allocation to local bodies of large new recurring grants by the Government. But the programme overlooked the need of an adequate and experienced teaching staff to man the schools. The result was that in the hurry to open as many new village schools as possible as many as seventy per cent of the primary schools were placed under the care of a single teacher. With no one to share or check his work or to take his place it is not surprising to find that such schools are often unsatisfactory and that except in very sparsely populated areas a smaller number of two-teacher schools gives better results. Fewer than ten out of one hundred children who enter the first class stay in school until they have completed the primary course in the senior class. As long as this disproportion in numbers exists between class I and class V the increase in the percentage of the population permanently attaining literacy will be insignificant. The report of the auxiliary committee of the Indian Statutory Commission called public attention to the wastage and for the last few years it has been the principal anxiety of educational authorities.

In the years of financial prosperity district boards multiplied their primary schools in the hope that Government would make further recurring grants. But the provincial revenues receded from the high water mark of 1927 and no new grants could be spared: in 1928 many schools imprudently opened had to be closed and the reducing process went on until by 1932 there were over fifty-four thousand fewer male pupils than there were in 1926 and two thousand three hundred fewer schools. Still it is satisfactory that the number of pupils in boys' primary schools has increased by

three thousand since 1931 although the number of schools was reduced, and the increase in the number of girls attending school is particularly encouraging. The trade depression has not reduced numbers to the extent which was expected. At present the percentage of male pupils in all schools to the total population is 5.15, and that of female pupils is .67.

A committee appointed to examine the best way of improving the work of primary schools is coming to the end of its labours. One view put forward is that on the average no child who has not completed a primary course of at least four years will become permanently literate, and the new curriculum may have to be arranged for this longer period and not for three years as at present. Systematic teaching is impossible if children start coming to school at any time of the year and an attempt is now being made to restrict admissions to the first two months.

It is clear that whatever improvements are to be made they must not involve additional expense since for some years the province will be hampered by financial stringency. Several economical lines of progress are possible and are being tried. To secure regular attendance the teacher has to rely on fines and these are difficult to collect. In any successful system the schools should be sufficiently attractive to make fines very rare. Handwork is of the greatest importance in securing the interest of pupils. For example in Angul they have been taught to build model houses and villages with bricks of their own manufacture and also to make the mats on which they sit. In parts of Orissa ericulture is proving an attractive hobby and in Chota Nagpur six primary schools have helped the Forest Department by maintaining nurseries. Schools generally need better furniture and the pupils could be taught, as they have been taught in some places, to make little desks for themselves. Games require more attention and the Education Department has published an interesting handbook of Indian games to help the teachers.

Too many boys who have finished their course at the primary school afterwards forget how to read because they have no books. A village library would keep them in practice and the example set by a village in the Shahabad district should be followed elsewhere. Such institutions deserve the generous support of the public.

Many defects in the system of elementary education can be removed by departmental inspectors and teachers, but their work will not give permanent results unless the public and the local

bodies give the teachers a fair opportunity. Local bodies retard progress by holding up the pay of the teachers and by ordering vexatious transfers. The public very often ignore the cardinal necessity of raising the average standard of literacy by despising the village schools and by demanding more secondary schools many of which the local bodies cannot afford to make really efficient.

In most places where free education is provided children are very irregular in attendance : the public are inclined to regard the schools where fees are levied as superior to the schools where teaching is given for nothing. Compulsory education for boys in the Ranchi municipality, in the Banki union of Cuttack and in the Jamhor union of Gaya is reported to have worked satisfactorily but it has failed in the two areas in the Saran district where it was tried. The experiments are costly and in all cases depend upon financial help from the Government or the district board. There is no money for an extension of the system. Towns like Ranchi, Jamshedpur and Patna have given their primary schools a good staff and fairly good buildings.

Primary schools for boys cost roughly Rs. 52 lakhs, Rs. 35½ lakhs being contributed by the public funds, chiefly from Government grants. The primary schools for girls cost a little over Rs. 5 lakhs, nearly Rs. 4 lakhs being spent from the public funds. More girls are now attending boys' schools and if children can be sent early enough to school to complete the primary course by the age of ten the habit will not offend conservative instincts and will become more general. It will certainly make for economy and increased efficiency.

The total bill for education in the province during the year 1931-32 came to Rs. 174 lakhs, ten and a half lakhs less than the expenditure of the previous year and three and a half lakhs less than the expenditure for 1926-27. Of this sum Rs. 91 lakhs is contributed by the Government either directly or in the form of grants to local bodies. The sum spent from these grants during the year amounted to nearly Rs. 36 lakhs, over Rs. 34 lakhs of which was disbursed by the district boards. For 1932-33 the grants have been reduced by ten per cent. District funds contributed Rs. 12½ lakhs and municipal funds Rs. 2½ lakhs. The share of the expenditure borne by the public funds was Rs. 10 lakhs less than that of 1930-31 and Rs. 15 lakhs less than that of 1926-27.

The 918 secondary schools of Bihar and Orissa cost about Rs. 42 lakhs, of which Rs. 16 lakhs are contributed by the public

funds and Rs. 21 lakhs by fees. During the last five years high schools have come into being at the rate of five or six every year; the total number of middle schools is rising steadily at the rate of about thirty a year; and more and more middle vernacular schools are being converted into middle English schools. Middle English schools are popular because of their English teaching and also because the fees they charge are higher and a smaller proportion of the cost has therefore to be found by the local body concerned. Middle English schools in turn demand promotion into the grade of high schools. The total number of pupils has increased to 131,000.

Unsatisfactory features of the work at these schools is the poor attendance of pupils and their slovenly handwriting. The deterioration in the standard of matriculates points to hasty tuition and a lack of thorough grounding, but a corrective may be supplied by the better qualified teachers who are now being trained at the colleges in Patna and Cuttack respectively. The value attached to the matriculation examination makes it all the more important to see that it is a real test of intelligence : the number of failures could be reduced if boys who are clearly unfit to enter the matriculation stage are not hastily pushed into it.

The experiment of using the vernacular instead of English as the medium of instruction in the four highest classes of high schools has been continued but it is too early yet to pronounce judgment on the results. One result has been to lower the standard in English reached by candidates in the matriculation examination.

Out of the 166 high schools for boys, eleven give manual training and fourteen teach physics and chemistry. Eight middle schools teach carpentry, seven tailoring, three weaving and agriculture, and one toy-making. These experiments are of the greatest value and are generally successful but their extension is unfortunately barred by the want of money.

Political unrest had undermined discipline at many schools during 1930, but there was a marked improvement in 1931-32.

During the year there were several debates in the Legislative Council on proposals to change the constitution of the Patna University. It had been originally intended to establish the university to the west of the new capital, and to make it both a teaching institution containing in its own area six colleges of a residential character, and a federal body supervising and testing the work of affiliated colleges in other parts of the province. There

was no money to finance this big scheme and it was abandoned. In its place it was decided to erect around the existing Patna College at Bankipur the buildings which were required for the university and for additional collegiate accommodation.

This less ambitious programme has been completed. A senate house has been built and at Patna there are now two arts colleges, one training college for teachers, a law college, medical and engineering colleges, and a new science college. In addition to these seven colleges at the provincial headquarters there are four other first-grade colleges affiliated to the university situated at Cuttack, Muzaffarpur, Bhagalpur and Hazaribagh respectively. In all these, students may read for the full degree course in arts or science and the university exercises supervising and examining functions over them as well as over four institutions of the second grade where students read up to the intermediate standard.

The university is a federal body in which each of the eleven colleges forms an independent administrative unit. In all these great progress has been made in extending the range of teaching especially in science, and increasing the number of pupils. During the last five years the colleges at Patna have been completely rehoused, and the equipment of most of the colleges is now practically complete. The total expenditure on the university and colleges of the province during 1931-32 exceeded Rs. 20½ lakhs, of which more than Rs. 13½ lakhs came from Government revenues and over Rs. 6½ lakhs from fees. The cost of the colleges has risen by about Rs. 2,31,000 in the last five years, of which Rs. 2 lakhs has been provided by the public funds and Rs. 31,000 by fees. The fees will have to be raised if more money is necessary.

The federal constitution of the university has in this way permitted the establishment of a network of colleges over the province and has brought higher education into close contact with local conditions. But there is a considerable volume of opinion which is attached to the original ideal of making the university a teaching and residential institution : it is not content with a body which merely supervises and examines the work of its constituent colleges, and it demands a complete unitary system of administration and teaching independent of Government control. This opinion is responsible for several schemes of reform during the last five years. One proposal was that the university syndicate should appoint all the ordinary members of the governing bodies of the colleges; that a central board subordinate to the syndicate

should be given full disciplinary control over students at the seven Patna colleges with powers to arrange lectures and promote their corporate life; and finally that subject to the veto of the Chancellor all new appointments at the Patna colleges should be made by the syndicate on the advice of a selection committee.

This reorganization would have given the university special powers over the colleges at Patna and would have made the university a partly federal and partly teaching institution. A private Bill embodying the proposals was introduced into the Legislative Council in 1929 but failed to obtain sufficient support. It was considered that the college is the best unit for administrative purposes and that any increase of university control over the colleges at Patna would unfavourably affect the privileges of colleges in other parts of the province. There was also a growing expert opinion in favour of the view that an institution, partly federal and partly teaching, would yield unsatisfactory results.

The objections to giving the university full control over the teaching staff of the eleven Government colleges were that the present staff had been recruited to Government service and would be unwilling to leave it, and that as long as the colleges and university looked to the Government for most of their funds the Government could not entirely divest themselves of control over appointments. They could not give the university a block grant without some share in the responsibility for expenditure. The Government were prepared however to give the university an important part in the selection of candidates for college appointments and in 1930 a permanent board of selection was constituted for appointments to all the Government colleges under the Ministry of Education. This board is composed of the Vice-Chancellor, the Director of Public Instruction or of Industries, one member who is not a teacher to be appointed after consulting the syndicate, and two experts to be appointed on the advice of the syndicate.

The Government also agreed to the constitution of a central university board to correlate inter-collegiate teaching and discipline, and they accepted the proposal that the syndicate should be composed of the Vice-Chancellor, ten teachers and seven non-teachers. But these two changes were not put into legislative effect until 1932. A private member had introduced a Bill into the Council in August 1931 which went beyond these measures of reform by giving the university syndicate greater control over appointments. This Bill was ultimately withdrawn in favour of

a Government Bill which dealt principally with these two alterations.

The total number of college students fluctuates within narrow limits: in 1932 the number was 3,579. Economic distress so far has had but little influence on the number of candidates for admission but there has been a sharp fall in the number of students at the Law College, and a slight fall in the number of hostel residents. The colleges have been remarkably free from any political unrest. There has been a marked decrease in the number of successes at the matriculation examination. The overwhelming bias in favour of a literary degree is shown by the fact that in 1932 648 candidates appeared for examination in the degree of Bachelor of Arts and 67 for examination in the degree of Bachelor of Science: 245 and 31 students respectively were successful in these examinations.

The Government maintains two colleges, five secondary institutions, and seventy-five elementary institutions for the important work of training teachers. The retrenchments carried out in 1931 fell heavily upon the elementary training schools managed by Government which were reduced in number from 116 to 75, but it is hoped that the fewer schools will turn out better men.

In the education of girls and women distinct progress has been made in recent years. Though there are 276 fewer girls' schools than there were in 1926-27 the decrease is confined to primary schools, and schools of a higher status have increased in number. The number of girls attending them has increased and more girls now read in boys' schools and colleges. Co-educational schools, especially in the primary stage, are becoming more popular, and they should provide better teaching at less cost. The cost per scholar of girls' secondary schools is still rather high but there is a steady increase in the roll. A significant sign of the times for Bihar is that women are now beginning to attend men's colleges and to prove successful in the degree examinations.

A notable feature of the progress of the last five years is that the number of Muhammadan pupils should have risen while that of other pupils has fallen. Increased facilities for teaching through the medium of Urdu are being provided in middle schools. *Madrasas* have increased in number and *maktabs* which had decreased in 1930 have again risen.

The number of Sanskrit schools and students is increasing gradually chiefly owing to larger Government grants which now

amount to about Rs. 41,000. The teaching of ordinary subjects at the Sanskrit *pathshalas* is said to be notoriously defective and difficult to supervise.[1]

The number of European schools continues to be the same: five secondary and sixteen primary schools. Statistics show that stagnation persists in the infant classes of these schools as well as in Indian schools. One cause is the floating nature of the railway population. A noteworthy feature is the steadily rising number of Indians who attend European schools.

The percentage of Christian aborigines at school is 14.2 compared with 17.2 five years ago, the percentage for females remaining unchanged at 7.2. Economic causes probably explain the fall. For non-Christian aborigines the percentage for males is 2.3 compared with 2.9 five years ago, the percentage for females remaining unchanged at .09. These statistics are a remarkable tribute to the work of the missionaries. The proportion of Christians who read in secondary schools and colleges continues to be far higher than the proportion among non-Christian aborigines.

The number of untouchables at school is about the same as it was five years ago, but many more of them have proceeded to the higher stages of education. Special schools are provided for them as for aborigines in certain parts of the province, and a low scale of fees is charged at all Government high schools. 388 children belonging to criminal tribes are at school out of a total population of 5,655. 18 mines schools in the Hazaribagh district have been closed owing to the trade depression and the financial difficulties of the district board, but the total number of factory schools has increased to 59.

Useful trades continue to be taught at the Hazaribagh Reformatory School but boys are no longer sent there from Calcutta and Howrah which have a school of their own. Surveillance of the boys after they leave the school has been difficult.

It is said that the religious instruction provided in undenominational schools is of a most unsatisfactory nature. Grants are given to provide instruction in first aid and particularly good work has been done in some schools. A medical inspection of pupils and students is now regularly carried out at all colleges and high schools. Several district boards have arranged inspections at the middle schools, but no arrangements can be made at primary schools. One of the retrenchments carried out early in 1932 was the abolition of the posts of school medical officers but subsequently it has been

possible to restore them. Trained physical instructors are now attached to each of the secondary training schools.

The Boy Scout troop is now an established institution at a large number of schools and its members do particularly good work at *melas*, bathing ghats and temples during festivals. A census held in 1931, which is believed to have been imperfect, showed that the total number of scouts had fallen to about 6,600 and some of the local associations find it difficult to carry on honorary work because educated young men are not sufficiently interested. The ideal of public service, especially in the villages, which the movement teaches should be a great influence for good if more support were forthcoming.

In the work of popularizing the ideal of social service the Council of Women is every year taking a more prominent part. This organization, of which Lady Sifton is president, serves to enlighten the public on the special needs of the women of the province, and its importance was recognized when in 1932 one of its representatives was appointed a member of the provincial Franchise Committee and another was elected a Fellow of the University of Patna. Affiliated to it are the Child Welfare Society, the Blind School at Patna, the Girl Guides Association, the Society for the Prevention of Cruelty to Animals and the Women Teachers' Association, all of which offer women valuable opportunities of ameliorating social conditions and helping those in distress. The Council has four branches outside Patna, at Ranchi, Jamshedpur, Sambalpur and Cuttack respectively. Committees visit jails, and they assist hospitals, leper asylums and child welfare centres with clothing. Useful work is done in the first aid and home nursing classes which are held. The Council has achieved much, especially in child welfare and in promoting a healthier life for girls at school, but most important is its educative influence on public opinion.

CHAPTER VII.

Public Health and Medical Relief.

During 1931 there were 4,000 fewer deaths in the province chiefly because cholera was much less active. There was an increase of 45,000 in recorded births, but the total infant mortality rose from 137.8 per thousand to 143.6. It is a matter for regret that the representatives of the public on municipal boards have not appreciated the need of employing trained midwives: in the alleviation of pain and also in encouraging a new attitude towards genetics their services could be of great value. Maternity work is still mainly in the hands of unregistered and generally untrained *dais* whose supplantation by trained personnel has not yet been commenced. Consequently the public mind has not been brought to realize the evils attending an excessive birth-rate. In spite of the alarming mortality among infants the population has increased by nearly four millions in the last ten years, and the economic consequences are serious.

The registration of births and deaths is not compulsory in rural areas and the reporting agency in these areas, as well as in most municipalities, is the police. Registration is compulsory in towns but the statistics, particularly those relating to the causes of deaths, are not accurate: nor will correct classification be possible until it is practicable to enforce a system of medical death certificates.

Hospitals and dispensaries now treat nearly seven million patients annually, over one million more than the figure for 1928. The cause of the largest number of deaths, nearly 730,000 in 1931, falls under the loose description of fever, and this may include any disease which produces abnormal temperature.

There had been a severe outbreak of cholera in 1930 resulting in 155,000 deaths: in 1931 41,000 people died from this disease and the figure was reduced to 9,000 in 1932. The reduction is noticeable in the districts which were most heavily infected in 1930. Recovery from the disease depends on early medical treatment, but in 1931 only 13,000 cholera victims went to the hospitals and dispensaries and of these eighty-eight per cent were cured. The disease is endemic in most parts of the province and the only way to deal with it is to maintain an efficient preventive

Way side scene, Jagannath Car festival, Puri.

organization. Steady progress is being made towards this objective. The more important districts, eleven in number, now have health officers who are either paid directly by the Government or indirectly by means of grants. A permanent staff of epidemic doctors is available to meet an emergency in any district, and every Civil Surgeon has a reserve of vaccinators at his disposal.

The Government also keep a reserve of disinfectants to assist local bodies when their supplies run short; since 1928 they have distributed vaccine free of charge on demand from Civil Surgeons and the local boards, and in 1931 though cholera was comparatively scarce as many as 666,000 doses were supplied. The universal popularity of inoculation against cholera in the province is a remarkable testimonial to the efficient way in which the Director and his staff, with the active co-operation of local bodies, have carried on the campaign. Preventive inoculations are carried out at all the important *melas*, special attention being given to Puri during the Car Festival. In 1931 the success of the inoculation campaign was even more complete than in other years. At Puri there were only 73 cases of cholera during the festival, and only 9 deaths compared with 1,053 deaths in 1912. Bacteriophage was successfully used as an auxiliary measure here and also at stations on the Bengal-Nagpur railway for the protection of the water-supply.

In the Muzaffarpur and Purnea districts important experiments were carried out to ascertain the value of bacteriophage for the treatment of patients, contacts and water-supplies instead of the usual disinfectants and vaccine, and the results obtained were satisfactory. In Muzaffarpur there were 988 attacks; 729 cases were treated with bacteriophage and only 8.6 per cent died; of 259 cases not treated 77 per cent died. In Purnea 34 per cent of the treated cases died and this is put down to the delay in distributing the phage in an inaccessible part of the district. The results obtained during the hot weather of 1932 were even more encouraging. They definitely show that the use of bacteriophage considerably shortens the duration of an epidemic and that the villagers prefer it to chlorine because it is tasteless, odourless and colourless.

Deaths from small-pox in 1931 were slightly in excess of those of 1930, but there were signs of the approaching quinquennial increase and in 1932 the figure of 15,000 was nearly twice the number for 1931. During the period under review vaccination was

compulsory in all municipalities and two districts. Later in 1932 it was made compulsory in eight districts. Vaccination is still unpopular; its protective value is well recognized by the people but in the absence of an epidemic they are unwilling to take the precaution, and the only remedy is to make it compulsory. Re-vaccinations are only ten per cent of the number of primary operations. People are prejudiced against the vaccination of children below one year of age. But a number of district boards has now agreed to introduce compulsory vaccination, and to take over the control and supervision over vaccinators; and a scheme, devised by the Patna district board, and adopted with modifications by others, has been found by which this can be done without any substantial increase in cost.

Making full allowance for the imperfect diagnosis of fever cases which end fatally, a very large number of them must be malarial in character. In 1931 the number of patients treated for malaria at the hospitals rose from 1,185,000 to 1,235,000, and those treated for influenza numbered 116,000 compared with 33,000 in 1926. A malaria survey has been carried out in Purnea town but extensive measures to stop the breeding of mosquitoes are beyond the means of the province. District boards distribute quinine and cinchona in infected areas and during the fever season quinine is supplied free to school boys in most districts. Quinine is an unpopular drug and its consumption is only gradually increasing. The average Indian patient may take it when he has a fever but it is unusual for him to continue to take it as a prophylactic measure after the fever has left him.

The death-rate from plague was 0.1 as for 1930 the total casualties numbering 5,429. The Muzaffarpur, Darbhanga and Saran districts suffer most, but this year there was a fairly sharp outbreak in the Monghyr district. As the disease occurs in the winter months the cholera epidemic staff is free to deal with it. Anti-plague vaccine is supplied free on the demand of local bodies.

People who live north of the river are also the chief sufferers from *Kala Azar*. Recent research is responsible for antimony preparations which effectively lower the incidence of the disease, but it is not certain yet whether it can be transmitted by persons other than its own victims. The disease is responsible for an increasing rate of mortality and in 1931 the hospitals treated 56,000 cases compared with 36,000 cases in 1926. It is slowly spreading throughout north Bihar and though the Government have been able to make grants for the supply of the specific remedy more

expenditure is required. This will have to be borne by the local bodies.

Malarial fever which is prevalent in Orissa renders its victims less able to resist attacks of dysentery and diarrhœa. Of the 24,000 deaths due to these two diseases in the whole province, 19,000 occurred in the Orissa districts. The number of cases treated in hospitals increased to 166,000. There was a slight increase in the death-rate.

The spread of tuberculosis, particularly among the aboriginal population of Chota Nagpur, is causing alarm and the problem of checking its incidence is extremely difficult owing to climatic conditions, ill-ventilated houses and defective diet. Young women during the period of motherhood, especially those who live in towns, form a large proportion of the victims. Progress in sanitation is the first remedy. Medical relief can do little until public opinion is persuaded that the necessary preventive measures are essential.

The local Government aided by a provincial committee have taken part in the intensive anti-leprosy campaign which for some years has been waged throughout the British Empire. A leprosy survey party which began work in 1929 made a complete survey of three districts and a partial survey of seven others before it had to be dispensed as a measure of retrenchment in 1932. Special clinics for the treatment of the disease have increased to thirty-six and in 1931 they attended to 7,342 patients. There are eight leper asylums and colonies in the province. It is now definitely established that defective diet and unhealthy conditions are important predisposing causes of the disease, and that it is chiefly found among the poorest classes. Its classification as a contagious disease is not accepted by Colonel Cook, the Inspector-General of Civil Hospitals of this province, and his theory of dietetic deficiency as a primary cause would appear to alter the entire outlook as regards the prospects of early eradication.

There has been a remarkable increase in the number of patients treated for eye diseases and in the number of cataract operations.

As long as public opinion tolerates patently insanitary habits and a water-supply which is bound to spread infection, medical relief alone cannot fight a battle in which the odds are all against it. The preliminary work of encouraging cleanliness and assisting local bodies to provide better public services is essential to the

conquest of disease by the physician. This work is carried out by the Public Health department and its auxiliary engineering branch. They can work only through the district and municipal boards and their duties consist largely of supervision, advice and propaganda. In the creation of a new conscience on matters of public health the local authorities must take the lead, and it is in their power to make or mar the progress designed by the experts. The poverty of Bihar and Orissa accentuated by the fall in agricultural prices for the last two years, has seriously retarded the development of its social services, but with the resources available much important work has been carried out.

The staff of the Public Health department aided by the publicity bureau give lectures and demonstrations with the magic lantern, and these are much in demand by the co-operative societies. Officers of the department inspect the pupils of all high schools and most of the middle schools. In 1931 over fifty per cent of the children were found to be suffering from physical defects, though many of them slight in nature, and these were brought to the attention of the parents or guardians. Lectures are given on hygiene at all schools and attendance is compulsory.

Only eleven districts have a fully organized health staff but in five of them the health officer is provided by the Government. The position in all municipalities is unsatisfactory. Three of them, Gaya, Patna and Puri, have qualified officers of whom two are paid by the Government, but in all the others the organization is imperfect or does not exist at all. The public health staff at Jharia as elsewhere has been reduced owing to the need of economy, but the Mines Board of Health has continued to make progress. During the year cholera, small-pox and influenza accounted for only 74 deaths among the colliery population of 126,000. At Jamshedpur Messrs. Tata have perfected a modern system of sanitation and water-supply which is of great benefit to their large industrial population.

The Government laboratory examines a large number of samples of food-stuffs sent to it for analysis but local bodies have yet to make full use of this valuable institution. A very high percentage of adulteration was found in the ghee, mustard oil and milk samples analysed.

The installation of a system of pipe water-supply in towns is an effective insurance against epidemics. Steady progress has been made in recent years and to-day nine open waterworks supply a population of 478,000 with an average daily supply of 5,550,000

gallons. The successful management and extension of the Patna-Bankipur supply is an outstanding example of the work carried out by the Engineering department. One of the most regrettable consequences of the financial stringency has been to prevent the Government from assisting municipalities to put up new installations. But several municipalities have been provided with small tube-wells. The test of the tube-wells sunk at Puri showed that they could supply an average of 900,000 gallons a day and the work of making the supply available to the pilgrims and permanent population is now in progress. The completion of this work after a long series of failures will be an achievement of no mean order. Sonepur, which attracts crowds of pilgrims and traders to its annual fair, has been given an improved water-supply. With a heavily reduced staff, the Engineering department has an important programme to carry through during the next few years.

The work of medical relief in the province is carried on by a staff of 21 civil surgeons, 112 assistant and 140 sub-assistant surgeons, and a large number of local doctors employed by the district and municipal boards. There are 672 hospitals and dispensaries of all classes and the majority are a charge on public funds, local or provincial. District boards are required to spend a minimum which varies between ten and fifteen per cent of their income on medical relief; but this minimum is generally exceeded. The total expenditure from all sources amounts to nearly Rs. 30¼ lakhs, and it is unlikely that the province will be able to afford a much higher expenditure for some years. The almost inevitable conclusion is that future progress is partly conditioned by the extent to which the provision of free medical aid can be confined to those patients who are really indigent, and that it will therefore be necessary to insist that comparatively well-to-do people should not obtain medical aid at the public expense. A few hospitals have recently taken to charging a small fee for out-patients except from the poorest people. But a more real guarantee of progress would be an increase in voluntary subscriptions from the public, a source which in the past has yielded a negligible income.

Notable progress has been made in recent years in replacing those medical officers in subdivisional hospitals who are sub-assistant surgeons by graduates of the assistant surgeon class. A headquarters hospital cannot deal with the large area which the average district of the province includes. The need of properly equipped subdivisional hospitals is therefore all the more important. With the improvement of the roads, the district and subdivisional hospitals of the future should, with the assistance of motor

ambulances, be accessible to the remotest parts of a district. At present the outlying areas have to depend on dispensaries in charge of doctors of the licentiate class whose standard of work on the average is below what it should be.

There are separate wards or hospitals in all districts in the province for the treatment of women and there has been distinct progress in the larger towns in supplying medical aid to women, notably at Patna, Gaya, Ranchi, Monghyr, Bhagalpur, Hazaribagh and Bettiah. Every district hospital except three and some of the subdivisional hospitals have lady doctors attached to the staff. Progress is retarded by the dearth of medical women but social prejudices form the chief obstacle. It is in rural areas that medical aid to women falls much below the standard available to men and here the chief difficulty is the financial one. If the public and the local managing committees were prepared to give real support to the dispensaries and to child welfare centres a great advance would be possible. In this sphere, it is for the citizen and not the official to take the initiative. The apathy of municipal boards towards maternity relief deserves the strongest reproof. Midwives are trained at several hospitals, but the numbers are small and though Government made budget provision for grants to local bodies for meeting a portion of the cost of stipends for training indigenous *dais* a great deal of the allotment lapsed owing to the lack of interest displayed in the scheme by many local bodies.

Good work is being done at the eight maternity and child welfare centres in the province, educational as well as medical, and there is evidence that the public who know do appreciate the services of a trained midwife. Social progress will to a great extent depend on the success of these institutions.

Most of the hospitals are without nursing arrangements, but these are provided at the larger State hospitals and at the mission hospitals. It is slowly being realized that the value of a hospital does not consist merely of its buildings or doctors. The lack of nurses is due to the fact that few Indians try to enter the profession, but considerable progress has been achieved by the missions.

The average daily attendance at indoor hospitals was over 3,000 in 1931-32, and that of out-door patients nearly 37,000 : a public which makes such heavy demands on the hospitals will have to give them greater support.

Medical education is given at the college in Patna, and at the schools at Cuttack and Darbhanga respectively. The schools

turn out 65 licentiates annually and the medical college 20 graduates; but it is doubtful whether the province can absorb even this number. The overcrowding of the profession raises a number of serious problems which will demand the attention of the Indian Medical Council when it is created. For the present it would be difficult to justify any increase in the number of admissions to the medical schools and college. Great progress has been made in the equipment of the college and the results of the examinations have been satisfactory.

The European Mental Hospital at Ranchi has continued its successful treatment of patients by giving them the utmost freedom possible and by its notable experiments in occupational therapy. At the Indian Mental Hospital the chief need is enlarged accommodation. Here too the results continue to be satisfactory for an institution with an average of 1,260 patients.

The Itki Sanatorium near Ranchi accommodated 69 patients in 1931. Its equipment has been greatly improved and is up-to-date.

The Radium Institute at Patna continues to attract patients from all over India and in 1931, 654 patients were treated compared with 246 in 1926. A new building for the Institute, made possible by the gift of Kumar Bisheswar Singh of Darbhanga, was opened in 1932.

The Pasteur Institute at Patna and its branch at Cuttack have answered a popular need, and they deal with a large number of patients every year.

CHAPTER VIII.

Maintenance of the Peace, Administration of Justice and Jails.

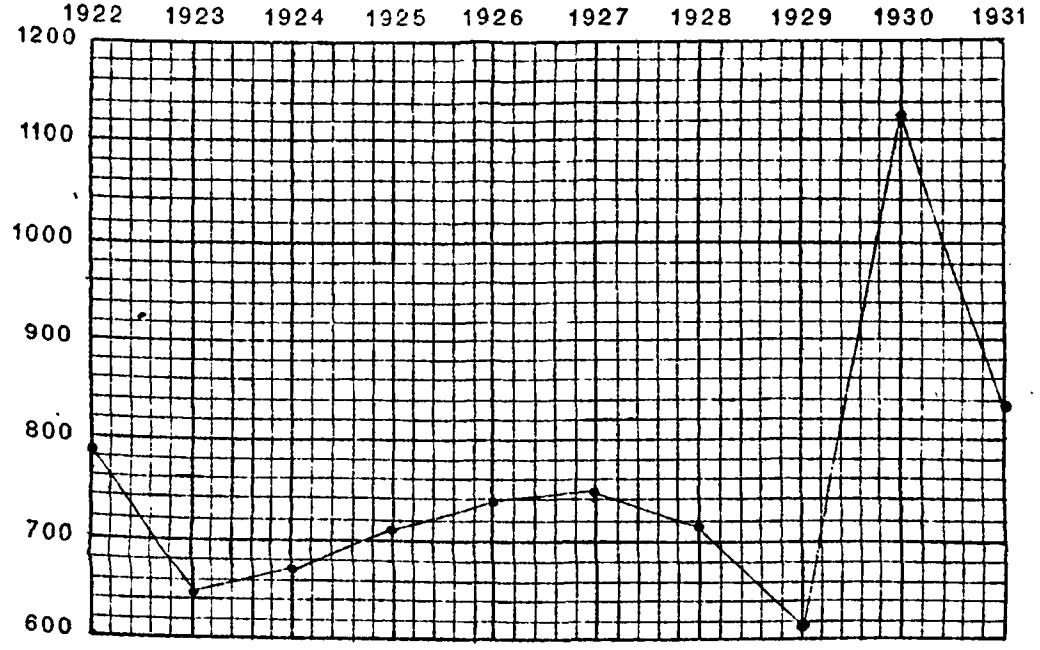
A year of constant agitation gave the police force no relief from the difficulties which had come into being in 1930. In Bihar the work of maintaining order was even more arduous and the situation could not have been controlled without the eight additional police forces which were posted to the more lawless areas at the expense of the inhabitants. On a population basis there are fewer policemen in Bihar and Orissa than in any other province. The regular force numbered 14,450 officers and men, of whom 11,431 were constables. No other province is in the position of having to control a population of 2,400, with one policeman. Two companies of military police and a squadron of mounted military police, consisting of 481 officers and men, are a valuable complement to the ordinary force. During the year the mounted military police were strengthened by thirty-one officers and men who will ordinarily be stationed at Jamshedpur.

The smallness of the police force makes all the more creditable its achievement in checking the many attempts to organize mob violence. The position of officers and men in isolated stations was frequently one of great danger. People in north Bihar were seldom willing to assist them and their success in dealing with hostile demonstrations was due to their own courage and resource. The restraint shown by the force in the disturbances which took place is a tribute to its discipline. Although public recognition was belated people know the dangers from which they were saved by the police and it is significant that whenever there is a proposal to abolish a police-station there is a storm of opposition.

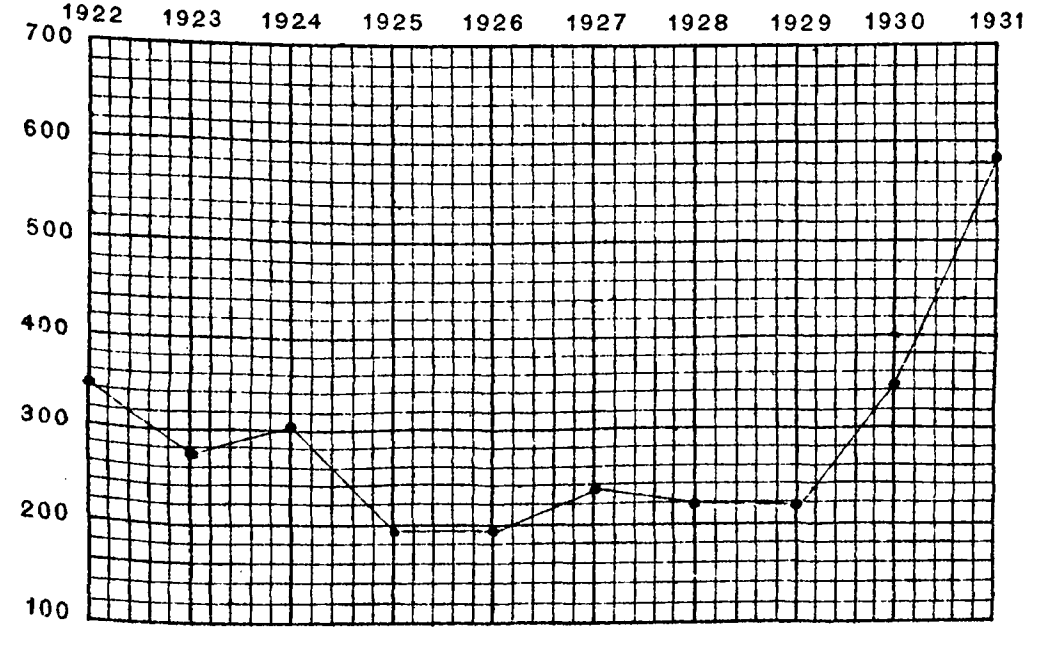
The protection of life and property afforded by the police force during 1931 cost the province a little over Rs. 82 lakhs. The budget for 1931-32 estimated expenditure at Rs. 88½ lakhs to enable the Government to deal with the lawless conditions stirred up by the Congress party. The general policy of retrenchment reduced this figure by Rs. 4 lakhs in the revised estimate, but the actual expenditure was even lower.

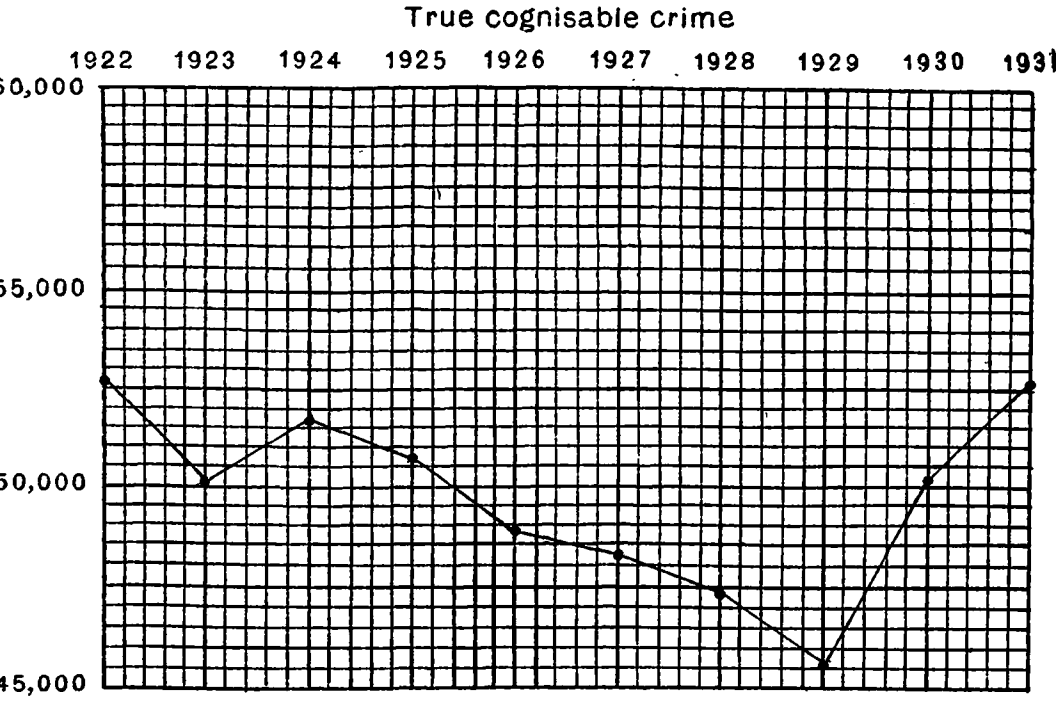
Comparatively few serious punishments were imposed on members of the force. A sum of Rs. 36,000 was spent on rewarding over 6,000 policemen and Rs. 10,000 given as rewards to

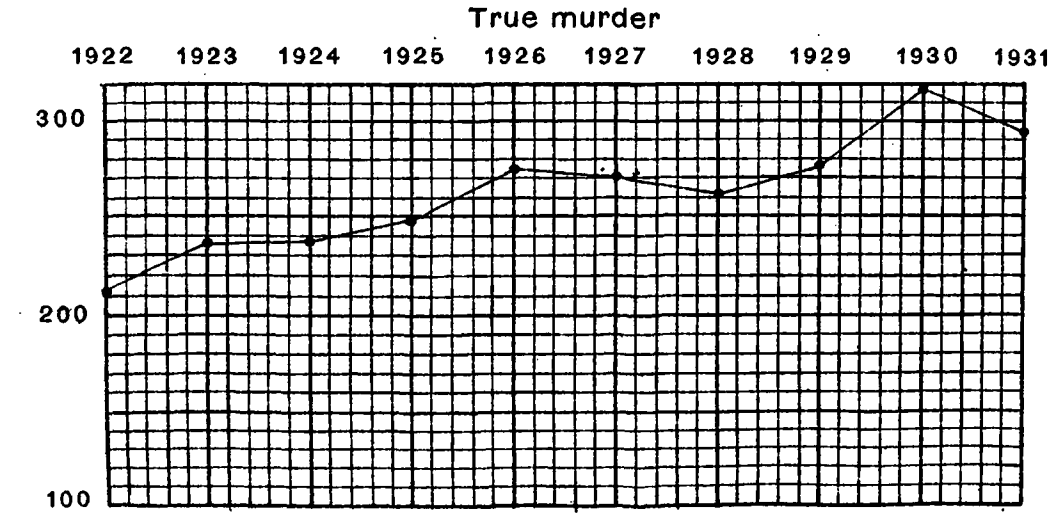
True riots



True dacoity




True cognisable crime
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
60,000
55,000
50,000
45,000


True murder
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
300
200
100

1,826 members of the public. Two officers received the order of the Indian Empire and the order of British Empire respectively; four officers and two constables received the King's Police Medal and an Indian sergeant-major received a bar to the medal; many officers and men received titles or certificates for good work.

Eighty-eight per cent of the constables compared with eighty-six per cent in 1930, were able to read and write. 544 men passed a course in first-aid which has proved to be very useful.

The village police continued to do good work in spite of the intimidation to which they were subjected during the civil disobedience movement. Some of the chaukidars rendered outstanding services in arresting dangerous dacoits and murderers.

The diagrams on the opposite page illustrate the remark of the Inspector-General of Police that civil disobedience, reinforced by the economic situation, has swept away the progress of ten years in the struggle with the criminal. The Delhi pact did not restrain the law-breakers. In the disturbed conditions which prevailed throughout the year information of many offences was suppressed, but it was noticeable that where political agitation had been strongest there the criminal was most active.

Crimes of which the police must take cognizance under the law rose sharply to 52,000, the level of 1922. Dacoities increased from a normal figure of 212 to 583, of which 400 cases were contributed by the five districts of Bhagalpur, Purnea, Champaran, Saran and Monghyr. Burglaries rose from 15,286 to 17,261 the highest figure since 1922, and the increase was heaviest in Saran, Shahabad, Champaran, Muzaffarpur, Bhagalpur and Monghyr. On the other hand, riots and unlawful assemblies during 1931 decreased by 26 per cent and for this the lull in the open defiance of authority which followed the Delhi agreement is responsible.

The revival of civil disobedience in 1932 led to a large number of serious riots in north Bihar. The disorder was checked and it is to the credit of the police that later in the year they succeeded in bringing down the number of dacoities in this area. The total number of persons convicted of offences in connection with civil disobedience during 1931-32 was 9,447 as compared with 11,700 in 1930-31.

The arrest of two members of a revolutionary organization known as " the Hindustan Socialist Republican association " has been described in the first chapter of this book as well as the murder of the station master at Hajipur by a gang of dacoits working in

the Chapra district. The revolutionaries at Patna had planned to bomb the Anglican church and a club and also to assassinate police-officers. They murdered one of their own party whom they suspected of being a spy. In Chapra the gang made several attempts to loot treasure kept in a temple : the leg of an inmate was blown off by a bomb and the hand of a dacoit by another. A few months after the dacoity at Hajipur two of the dacoits were captured.

There were 291 murders compared with 319 in 1930. Persons were sent up for trial in 131 cases, of which 74 ended in conviction. Witchcraft was the alleged cause of 9 murders. In Balasore a man was sacrificed to the goddess Kali. Dacoits in Shahabad killed a dafadar who had collected evidence against them.

There was less crime on the railways during 1931, especially on the Bengal-Nagpur Railway. There was also a smaller number of prosecutions for perjury but it is unsatisfactory that only a very low percentage of these cases end in conviction.

Good results were obtained by the surveillance of bad characters and by systematic picketing and patrols. Constables effected forty arrests of bad characters with whom they had made themselves acquainted.

The work of examining questioned documents in the Criminal Investigation Department is on the increase. The finger-print and photo bureaus are valuable both to the police and to the public. Experts from the bureau gave evidence in court in 295 cases, 273 of which were private cases. Opinions were given in 1,156 cases and the total fees earned during the year amounted to Rs. 20,422.

Over 104,000 criminal offences were reported during 1931. Of these nearly 62,000 were punishable under the Indian Penal Code, and the remainder under special and local laws. Compared with 1930, there was an increase in seven districts and a decrease in twelve. The total number of offences was slightly less than that of 1930.

Of the 68,858 cases tried by magistrates over one-seventh were decided by honorary magistrates and the rest by the stipendiary magistrates. Of the persons tried, excluding those whose cases were compounded, withdrawn or dismissed for default, about two-thirds were convicted. Sentences of rigorous imprisonment were passed on 13,811 persons, and of simple imprisonment on 452 persons. 112 persons were punished with whipping. Fines amounting to Rs. 7,80,806 were imposed, but only Rs. 4,76,604 were realized.

Nineteen youthful offenders were sentenced to detention at the Reformatory school and 728 persons were released on probation under section 562 of the Code of Criminal Procedure.

Twenty-three per cent of the 260,000 witnesses who attended the courts were discharged without examination; sixty-two per cent were discharged on the first day but 3,494 (or 1.3 per cent) were detained for more than three days. The High Court again emphasizes the need of supervising subordinate courts to prevent unnecessary delays in petty cases.

692 cases involving 2,679 persons were tried in the sessions courts during the year. 1,373 persons were convicted. 73 persons were sentenced to death; 109 to transportation; and 1,200 to rigorous imprisonment. The corresponding figures for 1930 were 48, 74 and 867 respectively. All the rest except two were sentenced to fines or whipping.

For certain sections of the Penal Code the system of trial by jury is in force in ten districts of the province. Some judges state that the system works fairly well but views recently expressed in the High Court indicate that juries too frequently give a verdict which is not only inconsistent with itself but grossly perverse. In cases of murder juries are inclined to display a squeamish sentimentality when it is their clear duty to return a verdict of guilty and it is only by a reference to the High Court that a serious miscarriage of justice has been avoided. In one district jurors are reported to be ready to convict common burglars but reluctant to return a verdict of guilty on persons of wealth or of a better class although the evidence justifies a conviction. People are still unwilling to sit as jurors and in some districts the persons available are insufficiently educated and lack a sense of responsibility. During 1931, 670 persons were tried by jury and in respect of 83 the sessions judge had to make a reference to the High Court. Out of 1,942 persons tried with the aid of assessors the judges agreed with their opinion on the case of 992 persons.

The sessions courts decided 3,043 appeals during the year. Twenty-four per cent of the appellants were acquitted; sixty per cent were wholly unsuccessful, and fourteen per cent partially successful. Magistrates disposed of 2,824 appeals; fifty-eight per cent of the appellants were wholly unsuccessful. Out of 68 persons whose cases were referred to the High Court for confirmation of the sentence of death, the sentence on 43 persons was confirmed.

Some of the *panchayat* courts are said to do useful work but others are unsatisfactory because of factions among members of the *panchayat*.

The total number of suits and appeals instituted in 1931 decreased by 2,066 and 1,088 respectively and the profit to the Government from civil litigation was reduced by Rs. 1,27,124. The cause is to be found in the fall in the price of agricultural produce.

The number of civil suits instituted was 191,000, a decrease of 2,066 from the previous year but 17,000 more than the number instituted in 1928. These figures include rent suits instituted under the Bengal Tenancy Act but exclude the rent suits instituted under the tenancy laws of Chota Nagpur and Orissa. The number of rent suits increased in five and decreased in four districts of Bihar. The shortage of cash had varying results in different parts of the province. As in 1930 over seventy per cent of the rent suits were for sums not exceeding fifty rupees.

Including the number of suits pending from the previous year there were 300,174 suits for disposal. Of these 184,036 were decided. The average disposal of suits decreased in the courts of subordinate judges and munsifs. The duration of contested suits increased in several district and subordinate judges' courts, but in the munsifs' courts it was slightly lower than that of the preceding year, but it should be remembered that in 1930 the figure recorded was the highest in the history of the province. The number of suits pending for more than a year fell from 3,952 to 3,377; most of these were in munsifs' courts. The cadre of 14 district judges, 3 additional judges, 29 subordinate judges and 92 munsifs is said to be too small for the needs of the province but no expansion is possible in the immediate future.

Appeals and miscellaneous cases preferred before the High Court numbered 3,527. 4,294 cases were pending at the beginning of the year and at its close the number had increased to 4,422. There was practically no decrease in the total number of cases decided. The two temporary additional judges were employed only for a portion of 1931 and in 1932 the posts were terminated owing to the financial stringency.

Appeals were preferred in 34 per cent of the appealable cases in the appellate courts subordinate to the High Court. 9,627 were decided and the courts were able to reduce the number of appeals pending for more than one year from 1,796 to 1,659. An unduly

large proportion of the appellate work in the civil side is still being done by subordinate judges chiefly because the district judges are preoccupied with criminal work. In 52 per cent of the appeals the courts affirmed the judgment of the lower court. There was interference in appeal in approximately one case in three.

Several judges report that the *panchayat* courts have not afforded any appreciable relief to munsifs and one states that most of their work represents an increase in litigation. In some places they have added to the miscellaneous work of the judge because of his revisional powers. In Patna the *panchayats* are said to do useful work within a limited sphere.

In Chota Nagpur and most other districts the Usurious Loans Act is reported to have given substantial relief to poor people and to have protected them from money-lenders. The temporary registrars of civil courts at Patna and Gaya have continued to do good work in reducing corruption.

The population of the jails at the beginning of 1931 amounted to 14,272 as compared with 7,632 at the beginning of 1930. At the end of the year the number was 10,830. The number of new admissions during the year was 20,000 compared with 25,000 in 1930. The suspension of civil disobedience was responsible for the fall. 2,919 persons imprisoned for breaking the law in connection with civil disobedience were released as a result of the Delhi agreement in March 1931 because their offences were non-violent.

To a great extent the serious outbreak of ordinary crime during the year nullified the effect of amnesty: there was a rise in the jail population in the latter half of the year and the jails were still congested. Compared with the year 1929 the prison population increased by 40 per cent. Towards the end of the year the Government sanctioned the release of 1,206 ordinary prisoners who were not convicted of any serious offence and whose unexpired periods of sentence were very short, or who were physically unfit to commit further crimes owing to old age or infirmity. The temporary sub-jail at Gulzarbagh was closed but had to be opened again in 1932. The average number of prisoners sentenced to labour at the Patna Camp Jail was 1,184.

The political unrest had sent an abnormally high proportion of youthful offenders and adolescents to jail in 1930, but in 1931 the figure came down to the average level. Literate convicts formed 15 per cent and illiterate convicts 85 per cent of the jail population compared with 29 and 71 per cent respectively in 1930. Compulsory education of all prisoners under 25 years of age was

continued at Gaya and to certain classes of prisoners at Bhagalpur. Female convicts increased in number from 565 to 795.

1,431 prisoners were twenty years of age and under compared with 4,332 in the previous year. A number of juvenile prisoners who would ordinarily have been confined in the Monghyr juvenile jail had to be confined in other jails. The average population of the juvenile jail during the year was 154. There was a slight decrease in the number of boys on whom short sentences were imposed. Twenty-two per cent of the inmates were admitted with sentences sufficiently long to benefit by industrial training and other forms of discipline which help to reform the character.

It is satisfactory to note that the number of short sentences up to three months on all prisoners was considerably less than that of the previous five years. In several districts the detention of prisoners under trial in magistrates' courts is still much too long.

There was a marked improvement in the discipline of all prisoners and an appreciable reduction in the number of punishments which had to be imposed. Corporal punishment was necessary only in 11 cases against 24 in 1930. While civil disobedience was going on an extra staff had to be employed.

Remunerative industries are carried on at the Buxar and Bhagalpur jails, such as tent-making, tailoring, blanket-weaving, blacksmithy and carpentry. At Gaya most of the convicts are employed in the forms printing press. This year fewer orders were received for goods manufactured in the jails. Prices had to be reduced and the net profit was reduced by Rs. 20,000. The total cost of the jail department fell from Rs. 17 lakhs to Rs. 14½ lakhs.

General overcrowding in jails leads to greater sickness among prisoners. There were 212 deaths during 1931 against 156 in 1930.

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CHAPTER IX.

Excise.

The importance of the excise revenue in the development of Bihar and Orissa during the last decade has been sufficiently emphasized. An earlier chapter describes how the diminution of receipts by Rs. 70 lakhs since 1929 has imperilled the financial stability of the province. The temperance reformer might be encouraged to believe that this decrease in Government revenue represents a corresponding increase in sobriety among the inhabitants; consumption of country spirit sold at the licensed shops has decreased by seventy-two per cent between 1930 and 1933 (the 1933 figures are based on the actuals of the first six months) and that of *ganja* by one-half. Unfortunately there is clear proof that the decrease is not a real one; the Government speaker at a recent debate in the Legislative Council adduced facts and figures which show that the fall in revenue has been accompanied by a widespread and appalling increase in the consumption of liquor and drugs, obtained in defiance of the law, for which no tax is paid to the State. Consumers have diverted their custom from the licensed shops to illicit distillers. In the period 1930-32, the number of persons convicted of the illicit distillation of liquor has increased from 1,152 to 3,100. Persons in jail for excise offences in 1931-32 numbered 5,469, i.e. 76 per cent more than the figures for 1929-30 and nearly four times the figure of ten years earlier. The Government have had to meet a critical situation: not only has there been a huge fall in revenue, but this fall has been accompanied by a break-down in the control of the manufacture and consumption of stimulants attended by an increase of intemperance and of crime.

Various factors have contributed to this loss of control. The prices of stimulants had been increased during a period of economic prosperity till the capacity of the consumer to pay them strained to breaking point. Formerly Government control had been exercised by putting liquor and drug shops up to auction and by fixing the maxima retail prices at which excisable articles could be sold. For this arrangement was substituted a complicated system by which vendors' profits were adjusted to their sales on a graduated scale. Its success depended on the existence of stable economic conditions. With the economic depression and heavy

fall in the purchasing power of the consumers the balance has been upset and the consumer has been driven to illicit practices. At the same time there has been a deliberate attempt, sponsored by a political party, to reduce Government revenues which has inevitably encouraged people to brew their own liquor without paying any tax. The importance of these contributing factors and the disastrous results are illustrated below.

Since the creation of the province in 1912 the policy which the Government have consistently pursued has been to penalize intemperance. They have always maintained that total prohibition is quite impracticable; for drink and drugs are so easy to manufacture and the demand for them is so strong that if it cannot be satisfied by lawful means it will be met by an illicit supply. The tax on the sale of stimulants was graded in such a way as to reduce consumption and increase the profit due to the State.

The success of this policy up to 1929 was amply proved by statistics and was an adequate reply to the criticism that the Government traded on human frailty. Consumption of liquor and drugs decreased steadily for twenty years and for this result Government action was responsible. In the endeavour to ensure a better control over the consumption of country spirit the Government abolished the old system of licensing small stills at which liquor could be made and sold direct to the public on the spot: in 1931 this system was in force only in an area of about 5,000 square miles, composed largely of inaccessible tracts of country. Throughout the greater part of the province the Government had extended the system by which the liquor is manufactured in large private distilleries under the constant supervision of an excise officer who checks the issues and collects the duties. The liquor is distributed to the licensed shops from departmental warehouses.

The consumption of drugs, as well as liquor, was reduced in other ways: the number of shops and the hours of sale were reduced; the strength of the liquor was weakened; smoking of opium except by registered addicts was prohibited; and prices of all excisable articles were raised by increasing the duty and fees. The rates of duty on country spirit charged in 1930 were about twice the rates charged in 1912. An indication of the way the retail prices have been forced up by the Government is given by the fact that in Patna the price of the popular strength of liquor was four annas a bottle in 1912: by 1931 this price had been trebled.

Another important measure which considerably increased the price of liquor had been introduced experimentally in 1919 and was extended rapidly throughout the province after 1928 in accordance with the recommendations of an excise committee appointed at the instance of the Legislative Council. Until 1919 licenses to retail liquor were usually granted to persons who made the highest bids for them at an auction. For the settlement of country spirit, *ganja*, *bhang* and opium shops, a new system was then introduced which was intended to discourage the vendor from pushing his sales. A vendor was selected, who was supposed to be reputable, and the license was given to him to sell at a fee based on the actual monthly sales. The fee was calculated to allow him a fair profit from moderate sales but it was raised on a graduated scale in order to give the State, a rapidly increasing proportion of the extra receipts which he might obtain from any increase in sales. It was hoped that by removing the vendors' incentive to increase their sales, this sliding scale system would encourage temperance and also lead to the good management of the shops by giving security of tenure to the vendors. By 1930 the system was adopted in nearly every part of the province.

The result of these measures on the consumption of the principal articles is shown in the following table :—

Statement showing the consumption of excisable articles and the revenue therefrom during the years 1912-13, 1928-29, 1929-30, 1930-31 *and* 1931-32.

Year.	Consumption of country spirit.	Consumption of *ganja*.	Consumption of *bhang*.	Consumption of opium.	Total revenue (in thousands of rupees).
	L. P. gallons.	Mds.	Mds.	Mds.	
1912-13 ..	1,157,636	2,498	538	926	1,04,01
1928-29 ..	886,894	1,376	258	629	1,89,91
1929-30 ..	960,304	1,411	264	604	1,91,77
1930-31 ..	636,788	954	200	539	1,43,11
1931-32 ..	557,525	776	181	464	1,22,35

It is clear that until 1930-31, though consumption fell heavily revenue was not very seriously reduced. In Bihar proper consumption of country liquor was reduced by one-half between 1912 and 1930. Consumption of *ganja* and *bhang* had fallen by about one-half, and that of opium by one-third. In 1930 the Government could with justice claim these statistics as an adequate proof of the success of their policy, and though the statistics of detected

cases of illicit distillation undoubtedly increased there remained good reasons for supposing that there had been a real increase in temperance. But the startling figures of the decrease in consumption at licensed shops since 1930 have been accompanied by even more startling statistics of the increase of illicit distillation, smuggling and other forms of excise crime and demonstrably do not represent an increase in temperance. The position which has been reached is the fact that consumers cannot pay the prices demanded at Government shops and have therefore gone elsewhere for their stimulants. The decreases in licit consumption of stimulants in the last two years are counterbalanced by an increase of illicit consumption over which Government have been rapidly losing control. They cannot be explained by a wave of reform.

The second table gives the detailed course of the revenue receipts under each article and it shows that the apparent decrease in consumption between 1930 and 1932 was accompanied by a proportionately heavy fall in income.

	Revenue in thousands of rupees.					
	1912-13.	1920-21.	1926-27.	1929-30.	1930-31.	1931-32.
Country spirit	54,07	67,15	91,54	80,38	53,84	44,71
Ganja	22,53	29,52	43,92	44,03	29,14	24,06
Opium	12,15	18,35	25,43	(a) 35,74	(b) 31,74	(c) 26,71
Tari	12,66	14,57	21,34	25,00	22,26	21,60
Pachwai	1,31	1,50	3,76	3,98	3,65	3,09
Bhang	52	64	1,09	1,02	76	67
Other heads	77	74	1,39	1,62	1,72	1,51
Total ..	1,04,01	1,32,47	18,847	1,91,77	1,43,11	1,22,35

(a) Includes cost price amounting to Rs. 7,18,404 paid to the Government of India.
(b) Do. do. do. Rs. 5,99,532 do. do.
(c) Do. do. do. Rs. 4,22,317 do. do.

The figures bring into relief the rise and fall of the agriculturist's prosperity in the last ten years. Between 1921 and 1927 he could afford the much higher cost of liquor and drugs only because he sold his produce at good prices. The revenue from country spirit reached its highest limit in 1927. With the sharp fall of agricultural prices in 1930 and 1931 the cultivator's cash income was halved and he could no longer afford the costly liquor sold in the shops controlled by the Government. Agricultural prices were depressed to the level which obtained in 1900, but liquor

prices remained at the inflated standard of 1921. During 1931-32 the fall in the consumption of country spirit was particularly heavy in the Ranchi, Palamau and Hazaribagh districts, doubtless owing to the very low price of crude lac. Revenue decreased by over Rs. 9 lakhs, following a decrease of Rs. 26 lakhs in 1930-31. The people who wanted liquor distilled it privately when they had no money to buy the article sold in the Government shops. Political agitators made no attempt to conceal the fact that their primary concern was to reduce Government revenue and this attitude operated as a direct encouragement to people who wanted to drink to make their own liquor.

In the first half of the period under review the intensified Congress agitation against the Government excise shops, which had been revived in 1930, caused serious embarrassment. There was no organized temperance movement though some castes enjoined abstinence in order to promote social and moral uplift. That this movement was not always what it seemed to be is shown by the fact that five *Koiris* of Gaya district who had called a caste meeting to enforce temperance were caught distilling illicit liquor. The main force of the Congress propaganda was directed against the purchase of liquor sold at licensed shops : the liquor might be intoxicating but its principal defect was that the sale was profitable to the Government. A leader of the Congress picketers at Sitamarhi was a well-known distiller of contraband liquor and had a very good reason for destroying the trade of the licensed vendor.

The Delhi pact had made lawful the peaceful picketing of excise shops, but Congress volunteers did not scruple to use violent methods. Increased distillation was the result, but this was not positively condemned by the anti-Government agitators. In the attempt to induce a more reasonable frame of mind among Congress leaders, the authorities found it difficult to protect vendors and consumers from molestation. Several shop premises were looted and burnt. When civil disobedience broke out a second time the ordinances strengthened the hands of the police and except at a few places picketers disappeared. But the anti-excise propaganda continued in the form of cyclostyled and printed pamphlets. *Pasis* were encouraged not to take settlement of shops and many owners of palm trees were persuaded to tap their trees and consume *tari* without paying any tax. Still the major cause of the continued decrease of the Government revenue was that the rural consumer could not afford the high prices charged for liquor and drugs at Government shops and consequently he took to illicit distillation of liquor, smuggling of opium, and illicit cultivation of *ganja*.

A few comparative statistics of the increase of illicit distillation and the decrease in consumption at licensed shops will show the intimate connection between the two. Up to the first quarter of 1933 the consumption of liquor had decreased by 560,000 gallons since 1930. In 1932 over 3,000 persons were convicted of illicit distillation and a calculation of the amount of illicit liquor which may reasonably be assumed to have been made and consumed in the last twelve months by the number of offenders yields a figure which is equivalent to the decrease in the consumption of licit liquor in the previous three years. When it is remembered that for every case that is detected there must be several others undetected it is seen how serious the situation is. Exactly the same conclusions are reached by examining another set of statistics. It has been found that in a remarkably large number of instances when illicit distillation in the neighbourhood of a licensed shop has been detected consumption at the shop has at once gone up and in some cases it is doubled or trebled. This has taken place in towns as well as in rural areas and has been very marked in areas inhabited by aboriginals; and hardly less so in colliery areas, where incidentally consumption has fallen out of all proportion to the fall in wages. The evidence to support the increase of illicit distillation is in fact overwhelming and destroys the arguments of those who used to maintain that every decrease in consumption at the Government shops meant an increase in temperance and that it was practicable to enforce prohibition by decreasing licit sales.

The statistics for the consumption of *ganja* show the features noticed in those for the consumption of country liquor. While consumption at the licensed shops has decreased by more than one-half since 1930 the smuggling of *ganja* from Nepal to one of the Tirhut districts has nearly trebled in a year and the cases of illicit cultivation, though difficult to detect, are three times as many as they were in 1919.

This alarming state of affairs has necessitated a thorough re-examination of the whole machinery of control—the licensing system as well as the grading of prices of excisable articles—and in 1932 it was decided to make experimental changes: at first in certain districts and then in all the sliding scale system has been abandoned in favour of the older system under which shops were settled by auction: in various inaccessible and jungly areas the supply of liquor from distilleries has been given up and outstills have again been licensed: the prices of excisable articles have been reduced.

Apart from encouraging widespread illicit distillation the fall in prices had exposed defects in the sliding scale system of licensing which had long been latent. The success of this system depends on the accurate adjustment of prices to the paying capacity of the consumer. It also has to take into account the relation between the scale of profit and duty and the costs of the vendor. These factors vary in different areas and are exceedingly difficult to ascertain accurately. When prices are continually fluctuating rapid adjustment is impossible. In fact, the system is an exceedingly complicated one which can be worked successfully only in periods of economic stability or of growing prosperity. It failed to answer its purpose when the consumer's purchasing power collapsed. When economic conditions are in a state of flux it is impracticable to fix fair prices. Under the auction system the vendors could reduce prices according to local changes in the consumer's purchasing power and the adjustment was smoothly carried out. The rigid system of sales and prices governed by the sliding scale had broken down and a more adaptable one was essential.

The settlement of shops by auctions imposed competitive conditions on the liquor and drug vendors and they had very material incentives to see that there was no illicit manufacture or smuggling near their shops. On the other side, the sliding-scale penalized high sales and the vendors who regarded themselves as enjoying virtual security of tenure in their shops were consequently not so keen in helping to detect illicit practices. A further disadvantage of the system was that it provided extensive opportunities for corruption among the excise staff and for malpractices among the vendors. Permanent vendors are permanent victims of blackmail and they do not scruple to establish an illicit business when they find that there is no profit from the trade at the licensed shop.

It was realized that under these conditions the Government had lost control over the consumption of liquor and that the only way to recover it in a period of economic change was to return to the older auction system. This system incidentally has certain advantages. It minimizes jobbery by substituting free competition for licenses and it avoids the evil of creating vested interests. It provides an automatic means of ascertaining and securing to the State the monopoly value of the privilege sold and it enables taxation to adjust itself to local and changing conditions.

Outstills have been restored in large areas of the Santal Parganas, the Hazaribagh, Manbhum, Palamau, Singhbhum and

Sambalpur districts. The fact is that the distillery system will not work in these areas. The aboriginal inhabitants do not like the flavour or the strength of the liquor made at the distillery and they are not willing to pay more than their own price for it. The result is a large increase of illicit distillation. Rather than acquiesce in this situation, the Government decided to impose a tax on the product manufactured at the local outstills which was acceptable to the consumers. This is the only way by which Government can hope to re-establish some control over consumption, and as long as the economic depression lasts it is unlikely that it will result in any increase of intemperate habits.

The third change effected by the Government in 1932 was to reduce the taxes on drink and drugs in certain districts. The alternative was to give up any attempt to control consumption. Reductions had been started in 1931 and these were given general application in 1932. The extent of the reductions may be gauged by the fact that, for example, prices of liquor in Shahabad, Gaya, Muzaffarpur and Bhagalpur have been lowered to the level of 1924-25, but the purchasing power of the consumer is still lower than it was then. The price of opium in Cuttack has been lowered by 7½ per cent to the price which was demanded in 1928 and in Muzaffarpur to the level of 1922. Varying reductions of a similar character have been made in other districts but the decrease in prices of excisable articles still lags far behind the lower purchasing power of the cultivator.

There were 5,733 licenses for the sale of fermented *tari*. Auction is the usual method of settlement, but since 1927 the experiment of taxing the trees has been introduced in four districts of Bihar. The system has several administrative advantages over that of auction.

Pachwai or rice beer is sold at licensed shops. Free home-brewing is permitted to certain aboriginal tribes. In 1930 the home-brewing licenses decreased by fifty per cent but in 1931 there was a slight increase in number.

Most of the *ganja* or hemp drug is supplied from Bengal, but it is now being successfully grown in some districts of the province at a price of Rs. 100 less than that of the drug obtained from Bengal. The revenue fell by Rs. 5 lakhs. There was also a lower consumption of *bhang*.

The revenue from opium fell from Rs. 31¾ lakhs to Rs. 26¾ lakhs, and the consumption decreased by 3,000 seers. Propaganda

work is carried on by educational and health officers to discourage the practice of administering opium to children. There were four cases of smuggling reported during the year. A large gang of cocaine smugglers arrested at Bhagalpur have been convicted and sentenced to imprisonment.

CHAPTER X.

Agriculture and Co-operation.

The outstanding feature of the year was the fall in the price of agricultural produce to a level lower even than that of 1930. The diagram on the opposite page shows the extent of the fall. The crops on the whole were good and by adding to the stocks helped to keep prices down. In north Bihar the ready market for the sugarcane crop lessened the cultivator's difficulties : the white sugar factories are said to have paid him as much as Rs. 80 lakhs in hard cash for the crop.

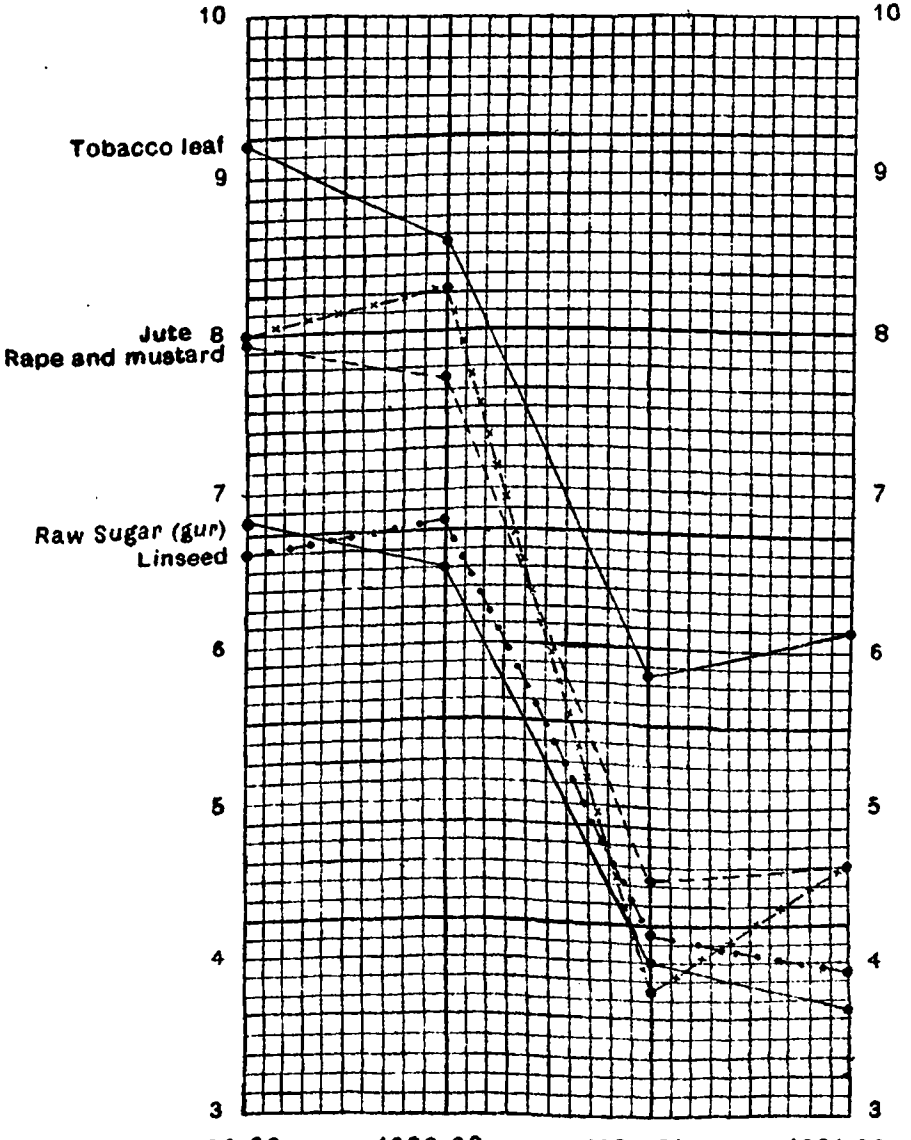
The monsoon was generally favourable except in north-west Bihar where the July rainfall was very heavy and damaged the cane and maize crop to a certain extent. The absence of rain at the *hathia* season and afterwards injured the *rabi* crops throughout Bihar and the harvests were below the normal standard.

The condition of the autumn crops was generally fair to good, but in Darbhanga, Purnea, and Monghyr they were damaged to some extent by heavy rain and floods. The outturn was estimated at 95 per cent of the past ten years' average. The total yield of maize and autumn rice was estimated at 522,700 tons and 1,208,800 tons respectively.

Rice is grown on over fifteen million acres. The winter rice crop is first in importance to the province. Rain was deficient in Bihar during August, but there was good rainfall in September and October and the prospects of the crop were generally good. The final estimate of the crop was 100 per cent on an area 5 per cent less than the normal area. The total yield was estimated at the increased figure of 4,515,590 tons.

Rabi crops are important chiefly in Bihar but they are valuable in Cuttack, Hazaribagh, and Palamau as well. The rain in October helped the sowing of *rabi* but considerable damage was caused owing to the lack of rain during the growing season. Nevertheless the outturn of wheat was estimated at 88 per cent, of spring oil-seeds at 84 per cent, of castor at 98 per cent, and of other crops at 91 per cent. The total yield of wheat was estimated at 468,700 tons.

Course of prices of important "money crops" in Bihar & Orissa



Price per standard maund in rupees except of tobacco leaf which is per standard half a maund in rupees.

Jute is grown in Tirhut, Bhagalpur, Purnea, the Santal Parganas, Balasore and Cuttack; and of these districts Purnea and Cuttack are the most important. Weather conditions were not favourable in Purnea, Balasore and Darbhanga, but they were fair in the other districts. The estimated area sown was 148,000 acres compared with 238,000 acres in the previous year. The yield of the crop was estimated at 342,000 bales compared with 620,000 bales in 1930-31. The heavy fall in demand had reduced supply.

The increasing value of the sugarcane crop has already been mentioned. Weather conditions in all districts of the province were favourable and the condition of the crop was fair to good. The crop was estimated at 99 per cent of the ten years' average and the total yield of *gur* was estimated at 307,000 tons.

Allowing for the area which produced two crops, the total cropped area in the province was estimated at 30,090,400 acres. The area under winter rice increased by two per cent and that under maize by four per cent. The areas under indigo and jute decreased by seventeen and thirty-seven per cent respectively. There was a small increase of the area under wheat, but the area sown with other *rabi* crops decreased slightly.

For a country which depends so much on rice it is surprising that more attention should not have been given in the past to the improvement of this crop. The Imperial Council of Agricultural Research is now financing an important scheme of scientific research which is being carried out in north Bihar. During the year progress was made with the detailed botanical study of the various paddy cultures and the research workers hope to discover which strains are best suited to conditions in this province as well as in other parts of India. More information is required on the inheritance of important characters in the rice plant, such as its time of maturing, its yielding power, and its resistance to disease. The further object of research is to provide the cultivator with full information about the best cultural and manurial requirements of the crop so that he can obtain the highest economic yield. The Agricultural department of the province has already made progress with the work of establishing the most suitable varieties of rice for the diverse conditions which obtain in the province. In Orissa a flood resistant variety is being tested.

Research into sugarcane has been commenced near Muzaffarpur. North Bihar at present manufactures about half the cane sugar in India and the industry is rapidly increasing. The interesting feature of the crop grown in this comparatively small area is that

unlike any other cane tract in India it is cultivated without artificial irrigation. Research will find out which are the most suitable classes of cane for north Bihar as well as for other parts of the province where the crop is irrigated.

During 1930 twelve sugar factories were at work in north Bihar and they are said to have dealt with the produce of nearly 80,000 acres. The area of cane under cultivation is on the increase and new factories are being built. The crop in south Bihar is equally good and covers as large an area as that in north Bihar but so far there is only one factory in this part of the province. The provincial department of Agriculture aided by research work at Coimbatore has been able to popularize superior varieties of cane within recent years and to-day these are grown at considerable extra profit all over the province to the almost complete exclusion of the old indigenous canes. In Bihar proper nearly 200,000 acres out of a total of 250,000 acres under cane grow the improved varieties, and this achievement is largely the result of steady propaganda by the department. This advance in cane cultivation is of the greatest economic value when it is remembered that in 1931 and 1932 sugarcane was the one crop which supplied the cultivator with ready resources of cash.

Another scheme sanctioned by the Imperial Council is to design a power-driven sugarcane crushing mill which will be capable of dealing with the new cane varieties. Progress has also been made with experiments on manures and with research into the water hyacinth weed.

The department of Agriculture helps the cultivator by making experiments at its various farms, but lack of funds has restricted development. The project of a new farm at Muzaffarpur has had to be kept in abeyance. Experiments on the farms have put the department in a position to advise cultivators in almost all parts of the province on the most suitable seed varieties of the chief crops which can be grown.

In a country where there are as many as sixty-seven cattle to every hundred acres of sown land the scarcity of fodder is a serious impediment to agricultural progress. In Bihar experts have been carrying out valuable research work into ways of securing better supplies of grass and fodder, and the recent discovery that heavy crops of *berseem* can be grown in Chota Nagpur and south Bihar is of very great economic importance not only as food for cattle but also as a stimulant to soil fertility. There is an increasing demand among cultivators for seed cuttings of elephant grass.

Interesting investigations have been carried out into the production of *gur* from the juice of the palmyra palm.

Great progress has been made in the work of encouraging cultivators to use natural organic manures and artificial fertilizers. This is of the greatest importance in Bihar where cattle dung has to be used to make up the deficiency in the supply of fuel. Cultivators are being taught to make up a compost by the simple and inexpensive method of converting all rubbish, waste vegetable matter and weeds into a first-class organic manure with the help of small quantities of cow-dung. This mixture is at least six times richer than ordinary cow-dung and the cultivator who takes the trouble to use the waste products of the land in this way is enabled to maintain the fertility of the soil without giving up the major portion of his ordinary fuel supply. This practical solution of a very difficult problem is of great economic value. At the same time artificial manures are being extensively used as a result of the vigorous propaganda by Government experts and by the co-operative societies.

Another important side of the department's activities is the designing of agricultural implements which are cheap to buy and to maintain and are as efficient as the more expensive ones. During the year 619 of these improved implements were sold and there are signs that they are increasing in popularity.

With the aid of co-operative societies the agricultural experts have successfully advertised the results of their research work by means of demonstrations and propaganda. The staff is too limited for extensive demonstrations on the cultivator's own land but much has been done. During 1931-32 nearly 9,000 demonstrations were given. These were concerned with teaching better methods of growing sugarcane, maize and vegetables, advertising superior varieties of wheat, paddy and sugarcane, and encouraging people to use improved implements, artificial fertilizers and vegetable composts. The department does not possess the organization to supply the seeds which it recommends for large scale distribution, but in the absence of private agencies it has to undertake as much of this work as is possible. Co-operative banks have taken an active part in distributing seeds and manures and some of them maintain *kamdars* to give demonstrations. The fall in prices accounted for a smaller demand for small open borings and *rahat* pumps which the engineering section of the department tries to popularize. Many landowners have installed large tube-wells.

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The province needs but cannot afford an agricultural college, and students from Bihar have to be sent to the institutions at Nagpur and Cawnpore. Practical training is given on the experimental farms and during the year three private students took the course. The department trains its own staff and helps to train the staff of the co-operative banks. It also co-operates with the educational authorities in the instruction given at three middle schools where experimental gardens are provided.

The total cattle population of Bihar and Orissa is said to be 21,300,000, and a great part of it is of very poor quality. The number of cattle in relation to the cropped area of the province is exceeded only by that of Bengal. The chief requirements are a better supply of fodder and more attention to breeding. As already mentioned the agricultural department hopes to persuade cultivators generally to grow an improved species of fodder, but the breeding of better cattle is a far more difficult problem and so far the public has not been very interested. A pure bred *Sahiwal* herd consisting of 107 animals is making excellent progress at the Kanke farm : the daily milk yield has reached the average figure of 12.9 lbs. per cow and with the supply of better fodder even better results are expected. Smaller herds of the *Hansi-Hissar* type of animals are being collected at Sabour and Patna and breeding bulls are kept at the smaller farms for purposes of demonstration and experiment.

Disease caused the death of 45 animals in the buffalo herd at Sepaya. Seven bulls were returned by the district boards because they could not maintain them and twelve bull calves were purchased from the military dairies.

An attempt was made by the Civil Veterinary Department to sell bulls matured at the Government Cattle Breeding Farm, Patna, but the public of Bihar seems to take little interest in improving indigenous breeds. The strength of the herd at the end of the year was 516. The milk yield of the cows is steadily increasing.

The local bodies maintained 48 stud bulls at different veterinary hospitals under the supervision of the Veterinary department. The number was reduced to 40 at the end of the year. To eliminate useless bulls and bull calves, thereby indirectly improving the breeds of indigenous cattle, over 82,000 bulls were castrated by the veterinary staff during the year.

In 1931-32 the four principal cattle-diseases, rinderpest, hæmorrhagic septicæmia, black quarter and anthrax, were generally

less severe than the attacks of previous years. With the exception of a few districts the attacks of black quarter and anthrax were almost sporadic. Though the outbreak of the other two diseases were not widespread all districts were affected. Rinderpest was very severe in Cuttack district where it carried off more than two thousand animals. There were 5,634 attacks of hæmorrhagic septicæmia and 4,554 deaths. The chaukidar is the reporting agency and unless he is encouraged with rewards better results are not expected.

Of the 80,067 animals attacked by disease, 21,684 died compared with 33,719 deaths out of 113,382 attacks in the previous year. There were over 34,000 cases of foot-and-mouth disease, a figure lower than the previous three years' average. Excluding these, the number of animals which suffered from the more deadly forms of disease came to about 45,000 which is 25,000 less than the previous year's figure.

This year district boards with the assistance of the Government which they received in previous year were better able to purchase sera and vaccines for preventive inoculation. The position also improved because there was no serious or extensive outbreak. Over 134,000 cattle were protected compared with about 80,000 in 1930-31. Over 87,000 animals were protected against rinderpest by means of serum alone. The percentage of deaths among cattle inoculated was very small. The question has been raised whether those owners of cattle who can afford to do so should not be asked to pay a small fee for inoculation.

Departmental expenditure was reduced from Rs. 7,79 to Rs. 6,71. Lack of funds prevented any expansion of the department's activities; one post of touring veterinary assistant surgeon had to be abolished and the number of days prescribed for touring by assistant surgeons was restricted. Nevertheless the staff were able to deal with nearly 205,000 fresh cases which is an increase on the previous year's figure. There were 33 hospitals in the province which had permanent accommodation for patients and of these 30 were in charge of stationary veterinary assistant surgeons. The dispensaries, on the other hand, were in charge of a touring assistant surgeon and they have to be closed for half the month when he is away on tour. This arrangement was considered unsatisfactory and in 1932 a scheme was introduced by which the touring officer opens his dispensary at definite centres and arranges to be at the village on a fixed date, usually on a market

day, when the villagers of the neighbourhood can bring their animals to him. This method should make the campaign against contagious diseases more effective and also should provide a useful opportunity to advertise scientific cures. During March 1932, 41 such field veterinary dispensaries were opened and they have become very popular.

There were 52 students at the Veterinary College at Patna during the year, 39 from Bihar and Orissa, and the remainder from other provinces and States. The progress of the institution has been satisfactory. The opening of post-graduate classes will dispense with the need of sending students for further training to Madras or Lahore. The facilities provided at the Veterinary College hospital are greatly appreciated. At the research laboratory the cause of nasal granuloma was discovered and the conclusions recently made at Muktesar were confirmed.

The Society for the Prevention of Cruelty to Animals has taken over the duties previously carried out by the department. Two new inspectors have been appointed by the Society, one at Dhanbad and the other at Cuttack. There were altogether 1,361 cases of cruelty including those detected by the departmental staff. 1,190 cases ended in conviction. 646 cases of cruelty were detected by the Society's inspectors and a sum of Rs. 4,988 was realized from fines. Municipalities now pay half the amount of the fines imposed to the Society's funds. The work of the inspector under the Patna City municipality has been particularly successful.

In 1912 there were 573 co-operative credit societies and 8 central banks in Bihar and Orissa; by 1922 the numbers had increased to 4,122 and 46 respectively and the figures for 1927 were 8,300 and 66. In 1931 there were 9,128 societies, 22 fewer than in 1930, and 68 banks. All but 329 societies were agricultural. The membership of societies after losing ground in 1930 increased to 261,888 which was higher than the figure for 1929.

The period of rapid and often unhealthy expansion came to an end in 1927 and since that year the main object has been to place existing societies on a sound footing and discard those which had lost their usefulness. The high rates of interest allowed by central banks had attracted funds which the affiliated societies could not absorb without seriously overrating the capacity of their members to repay loans. The foundation of new societies was regarded as an easy way of lending money, and the large resources at their disposal blinded many banks to the importance of applying

business principles to their loan arrangements. The purpose of co-operation was obscured and the amount of the debt due for repayment grew to alarming proportions.

With the additional difficulties brought by the fall in prices there was an even greater need of caution in starting new societies. In 1931 only 228 were registered. The total number of working societies of all kinds, including central banks and guarantee unions, decreased by 95 to 9,309 owing to the weeding out of worthless societies and guarantee unions, many of which had existed only on paper. 322 societies were liquidated. The poor market for agricultural produce again reduced the capacity of members to repay their loans and there was an increase in the percentage of societies whose financial position was bad or hopeless.

Defects in the banking and non-financial organization of the movement had been apparent for some years, but the economic crisis exposed them in a clearer light and demanded remedial measures. As recommended by the Royal Commission on Agriculture and the provincial Banking Enquiry Committee, the local Government decided to appoint a committee to examine the condition of co-operative institutions in the province and to ascertain what changes were required. The committee worked throughout the cold weather of 1931-32 and their report was published shortly after the close of the period under review. Their views are supported by the experience of the last five years when many weaknesses became apparent in the co-operative machinery. It had been clear for some time that banks and societies were concerned primarily with the supply of credit to individual members and that their resources had been insufficiently directed to help people to work together in the business of rural reconstruction. Even the credit organization in a large number of instances had failed to maintain a stable financial equilibrium. The recommendations of the committee, which are now being examined by the Government, seek to strengthen the movement as a financial unit and also as an instrument of co-operative well-doing in village life. Legislation is required but this will be ineffective unless co-operators themselves see that their societies are not deflected from the true lines of advance.

On the financial side the Provincial Bank needs larger resources to support and greater powers to control subordinate banks. The Government has already guaranteed the interest on an issue of debentures. The committee recommended that co-operative institutions should not undertake anything but short-term

liabilities and that longer commitments should be taken over by a separate system of land mortgage banks. The alarming fall in the percentage of collections by central banks points to the need of greater control over their loan policy and it is essential that in estimating the capacity of borrowers to repay a loan, income rather than capital assets should be the indicator. For the development of new standards of industrial and social life in the villages and towns it will probably be advisable to form a staff of instructors distinct from the banking staff which are too often absorbed in the mechanical duties of lending and collecting money. But in this sphere the lead should be taken by honorary workers.

The financial stringency during 1931 prevented any increase in the working capital of the Provincial Bank, but in spite of the scarcity of money the Bank was able to increase its deposits from the public by Rs. 3 lakhs and to present a satisfactory balance sheet and an increased profit at the end of the year. The chief difficulties of the Bank were to provide for the depreciation of Government securities and to meet the heavy demands for the withdrawal of deposits by the central banks. At the end of 1931, Rs. 21 lakhs of Government securities held by the Bank were worth little more than Rs. 18 lakhs according to the market price. The general reserve fund as well as the reserve to cover depreciation of securities was strengthened and this action together with the great appreciation in the value of the securities which took place in 1932 placed the Bank's finances in a sound position. The withdrawals by central banks indicate the need of more co-ordination between the various financing banks, especially in fixing the rate of interest. At the time the Provincial Bank was raising its interest on deposits to meet the changed conditions of 1931, many central banks were taking the opposite step. For three years central banks had been urged to reduce their rates but some of them proceeded to do so only when they should have been raising them. The serious position of banks and societies is brought out by the fact that out of an estimated recovery of principal and interest amounting to Rs. 14½ lakhs only Rs. 4.83 lakhs were collected by the Provincial Bank. The root of the trouble is the former policy of granting long-purpose loans with short *kists* from short-dated funds. Societies cannot repay these loans on the fixed date. The issue of debentures will help to supply the movement with long-term capital for placing these loans on a sound basis.

The working capital of central banks increased to Rs. 2,35 lakhs. The reserves have been increased but the reserve for bad

debts is still most inadequate. It is not good policy to give the payment of dividend priority over provision for bad debts in the disposal of profits. Deposits fell by Rs. 9 lakhs to Rs. 144 lakhs, Rs. 3.61 being contributed by societies and the remainder by individuals. The percentage of collection to demand again fell from 35.3 to 15.7. Agriculturists especially those who are dependent on a single crop like paddy or lac find it difficult to meet their obligations and they certainly cannot repay loans granted in the past for debt redemption and similar long-term purposes out of their harvests. The Registrar of Co-operative Societies in his annual report notes that greater caution is now exercised by the banks and loan applications are more carefully scrutinized : the total amount of fresh loan advanced to societies during 1931 was less than Rs. 19¾ lakhs as against Rs. 36¼ lakhs in the preceding year.

The majority of banks helped to distribute improved seeds and manures and in co-operation with the Agricultural department carried out demonstrations with more efficient implements. Some of them employed agricultural inspectors and *kamdars*. Irrigation schemes were undertaken and pumps bought by a few societies. An encouraging feature is the number of banks which improve village sanitation, distribute medicines, disinfect wells and inoculate cattle. Two tube-wells were sunk in the Cuttack area where there are six promising welfare societies. A scheme for supplying first-aid boxes to selected societies is also under consideration. If the attempt to interest societies in organizing village medical relief is sustained it will be an important stage in the transfer from the Government to the public of the initiative in the campaign against disease and sickness.

There has been but little progress in cottage industries, but eri-silk rearing receives considerable attention in Orissa. This year central banks were able to afford Rs. 8,500 for educational purposes compared with Rs. 13,000 in the previous year. Several village societies maintain schools of their own. Honorary workers in the Ranchi area have done notable work in establishing village welfare societies and important experiments in rural reconstruction are beginning in the Dinapore and Rajmahal areas.

Although agricultural societies decreased by 18 to 8,799 membership increased by 6,874, the total amounting to 234,428. Their working capital fell by Rs. 5½ lakhs to Rs. 236 lakhs, but reserves and deposits increased slightly. More cautious than they used to be in granting loans, they advanced only Rs. 16.27 lakhs in 1931 compared with Rs. 33.66 lakhs in 1930 and Rs. 64½ lakhs in 1928. In many societies a small number of influential members

still monopolize the bulk of the loans and under the present law the unfortunate result is that societies which include one or two heavy defaulters have to be liquidated in order to enable a financing bank to recover its dues. Societies must proceed against these defaulters themselves.

There were only three purchase and sale societies and they were in a moribund condition. Co-operative grain *golas* numbered 68 and most of them are in a very satisfactory position. Non-agricultural societies of professional people and wage-earners increased to 84. The working of societies among the employees of the Tata Iron and Steel Company at Jamshedpur was generally satisfactory, their average collection amounting to 75.8 per cent.

Provincial associations all record satisfactory progress. The People's Bank at Patna City felt the effects of the trade depression but it maintained a very strong reserve fund. The working of artisans' societies was generally unsatisfactory and nearly all deserve liquidation. Several co-operative stores societies are doing well, but some come to grief because they do not insist on payment of cash when goods are delivered. Guarantee unions are generally useless and are rapidly disappearing.

The provincial Co-operative Federation had to carry out economies during the year and it could only afford a small staff for propaganda. *Punches* were trained at local centres and 71 classes were held. Excellent progress was made at the training institutes at Sabour and Cuttack. In Orissa students and villagers have taken up welfare work with enthusiasm and it is to be hoped that they will keep it up.

CHAPTER XI.

Commerce and Industry.

The most striking feature of the province of Bihar and Orissa is that while it contains the largest deposits of coal, iron-ore, copper and mica in India its population is predominantly agricultural. Of the total population of thirty-seven and a half millions inside British territory only two and a half millions are employed wholly in mines, industry, transport and trade and this figure includes the large class of village artisans. About half a million people work in some trade or industry as a subsidiary occupation. The ratio between the agricultural and industrial population has not materially changed since the census of 1921. The advance towards a higher standard of material comfort will be slow as long as the soil will have to support the dense and increasing population of to-day, and so far the mines and industries of the province have not given much relief to agriculture. The commercial depression of the last two years has postponed the absorption by industries of a greater number of the inhabitants.

1931-32 was the worst year for the maritime trade of Orissa for ten years and the fall in receipts at Puri was particularly marked. The gross value of the trade passing through the two ports of Chandbali and Puri amounted to Rs. 28 lakhs. The total value of imports increased from Rs. 6.26 to Rs. 8.82 lakhs mainly due to the large increase in the import of kerosine oil and betel nut. The value of exports fell from Rs. 7.79 to Rs. 5.38 lakhs. Less paddy was exported owing to the establishment of more rice mills locally. The value of all exports fell owing to the trade depression. The principal articles of export were rice, paddy, dried fish, bones, *biri* leaves and ghee; and the principal imports were spices, betel-nuts, salt, kerosine oil, cotton goods and rope. 63 vessels were cleared at Chandbali and 3 at Puri. There was a regular steamer service throughout the year between Chandbali and Calcutta.

The mining industry is situated in the hills of Chota Nagpur and some of the Orissa States. With the exception of copper the reduced output bears witness to the very weak demand for all minerals. The output of coal in all mines in Bihar and Orissa fell by more than a million and a half tons to 13,388,783 tons and in 1932 there was a further drop to twelve million tons. The Jharia

field contributed over nine and a half million tons to the total production. Prices were fairly well maintained during 1931 but towards the close of the year and during 1932 there was a fall which led to the forced selling of stocks.

In all mines the labour supply was in excess of demand. About 100,000 persons were employed in the coal-mines of this province, 9,000 less than in 1930. Over 67,000 were employed in the Jharia mines. The steady improvement in the average output of coal per person employed during the last few years was not maintained: the decrease is said to be due chiefly to the smaller proportion of coal mined by coal-cutting machines. Although there was no general reduction in the rates of wages the amount of money earned was less owing to the fact that the mines could not be worked to their full capacity. There were short strikes at collieries in the Jharia coalfield due to the attempt to reduce the wages of labourers. The strikes were peacefully conducted and eventually the management decided not to reduce the wages.

The health of residents in the mining settlements was fairly satisfactory but cholera and small-pox caused no less than 67 deaths. Better arrangements for urinals and latrines at the mines are required, but tribute must be paid to the great improvements carried out by the Jharia Board of Health.

Since 1929 the number of women employed underground has been reduced by more than one-half and in 1931 they numbered 10,000. It is satisfactory to learn that the maternity and child welfare scheme of the Board of Health has proved a distinct success.

The quantity of soft coke manufactured decreased by three per cent, but success is claimed for the efforts of the Indian Soft Coke Cess Committee to popularize this type of fuel for domestic consumption. Nearly 500,000 tons were despatched during the last five months of 1931 and if the agriculturist can afford to burn the fuel it will make more cow-dung available for manurial purposes.

104 persons died from accidents in coal-mines during the year, and of these 20 were women. There were 166 serious accidents which did not end fatally. There was an increase in the number of fatal and serious accidents caused by falls of ground. One of the biggest problems on the Jharia coalfield is to work the thick seams of coal at lower depths. Sixty per cent of the coal cannot be extracted because it is required to form pillars to support the ground above. Even then there is danger since masses of coal

are liable to fall from the side of lofty pillars subjected to extra weight.

The Singhbhum mines produce nearly the whole of the iron-ore of India. In 1931 the output was reduced by nearly fifty per cent to 588,000 tons owing to the depressed state of the pig-iron market. The iron and steel works of Messrs. Tata at Jamshedpur are situated at a convenient distance from their supplies of coal, iron, manganese and limestone. The rapid development of this modern town in the last ten years is a remarkable achievement. India has greatly reduced her demand for steel during the last two years, but Messrs. Tata's works fortified by a protective tariff now supply sixty-two per cent of the country's requirements compared with twenty-six per cent in 1927. It is safe to say that but for the drying up of the channels of international trade owing to natural and artificial causes since 1929 the industry would have advanced much more rapidly. The extent of its operations at Jamshedpur may be judged from the fact that even in the depressed conditions of 1931 it employed nearly 42,000 people and paid a wage bill of Rs. 178 lakhs; it consumed about a million and half tons of coal and three and a half million tons of the raw materials of manufacture valued at Rs. 179 lakhs; its output of semi-finished and finished products was nearly 666,000 tons and its sales yielded Rs. 506 lakhs; and it yielded large quantities of valuable by-products, such as coke (705,000 tons), coal-tar (21,000 tons), sulphate of ammonia fertilizer (6,000 tons). It is hoped that with its enormous resources the industry will be able to reduce the prices of steel goods and benefit the Indian consumer. The most impressive feature of Jamshedpur is the organization of comfort and healthy conditions of life among the workpeople.

Production at the tinplate works at Golmuri near Jamshedpur was slightly below that of 1930. This industry provides an important market for the steel manufactured in the same area. Its efficient plant and increasing capacity for production in comparison with standards in America and Great Britian are claimed as an outstanding technical success among recent industrial developments in India. Generous tariff protection may place the wire products industry at Jamshedpur on a firmer footing. The manufacture of cables at the same place was seriously reduced during 1931 owing to the heavy imports of cables from Japan and from the European continent.

The mine of the Indian Copper Corporation at Mosaboni was responsible for the whole of the copper output in India during 1931. The output increased from 123,000 tons in 1930 to 153,000 tons

which were valued at nearly Rs. 22 lakhs. The copper is transported from the mine to the smelter seven miles away near Ghatsila on the Bengal-Nagpur Railway. It is carried the whole way by means of an ærial ropeway which crosses the Subarnarekha river. Production of refined copper at the company's smelting works increased from 2,974 tons to 4,069 tons. The rolling mill manufactured 3,637 tons of sheet metal. The mine employed 1,700 persons. The previous rates of wages were maintained.

Block mica shipped from Calcutta in 1931 amounted to 33,000 hundredweights valued at Rs. 31 lakhs compared with 55,000 hundredweights valued at Rs. 60 lakhs in 1930. Foreign markets were filled with stocks for which there were no buyers. Prices fell on an average by about ten per cent. The result was that at the end of 1931 little mining was done and in 1932 mines had to close down. The mines in Bihar produce more than half of the world's output and the fall in demand has damaged them considerably. Their output in 1931 was little short of 39,000 hundredweights valued at nearly Rs. 20 lakhs. The work available was divided among the workmen seeking employment and they had to work for shorter periods.

The Bihar and Orissa Mica Act came into effect in the district of Hazaribagh on the 1st January 1932 and it is reported that there has been a considerable reduction in the number of mica thefts. A number of lessees have accepted fresh leases at higher rates of royalty.

The general inactivity combined with Russian competition reduced the output of manganese. The output of chromite also decreased. Limestone quarried in Shahabad increased in output from 228,000 tons to 242,000 tons. About the same amount of stone chiefly igneous rock was produced, namely, 451,000 tons, and most of this came from the Santal Parganas. Deposits of slate, steatite, fireclay, china clay, sandstone and apatite are developed in various parts of the province. Singhbhum and the neighbouring State of Kharsawan is the principal source of kyanite in India. Singhbhum also produces small quantities of gold.

The reports on the administration of the Workmen's Compensation Act during 1931 show that the daily average attendance of certain classes of railway workers and workmen employed either by way of manual labour or on monthly wages not exceeding Rs. 300, chiefly in mines and factories in this province, was 130,921 adults and 1,743 minors as compared with 158,602 adults and 1,363 minors in the preceding year. 122 persons lost their lives

as the result of accidents, and 121 and 1,661 suffered from permanent and temporary disablement respectively. Over Rs. 53,000 was paid as compensation for loss of life, over Rs. 44,000 for permanent disablement and over Rs. 42,000 for temporary disablement. The average compensation for a fatal accident was Rs. 439 and for permanent disablement Rs. 366. 57 per cent of the workmen who lost their lives were employed on wages of less than Rs. 20 a month. As in previous years compensation for permanent disablement was in the majority of cases settled out of court and by agreement.

In 1931 there were 280 factories in the province which employed more than 20 persons. The maximum number of men, women and children at work in them was 63,959, a decrease of four per cent on the previous year's figure, but it should be remembered that this takes no account of either short time or of the months in which there may have been a considerably smaller number of persons than the maximum.

Industry in the province is still largely in the hands of the village craftsman and although he may not be in a strong position to compete with the factory the progress of the factory type of industry has not been as rapid as might have been supposed. One reason for this may be that the man who is forced by economic pressure to migrate to the town dislikes being permanently bound to a factory occupation, and he usually returns to his village as soon as he can do so. Another reason is that indigenous capital is shy of launching out on new industrial ventures.

It is true that a large permanent population is growing up around the works and factories at Jamshedpur. There is also a large industrial population attracted by the railway workshops at Jamalpur. There are smaller engineering works scattered over the province and of the other factories those connected with sugar, rice, oil and tobacco are the most important. With the exception of the sugar mills, all these concerns, especially the lac factories, suffered from the bad trade of 1931. The East Indian Railway workshops at Jamshedpur were closed throughout the year. An interesting experiment to manufacture rope out of sisal hemp is being successfully carried out at Mr. Casey's plantation near Sambalpur and the product should find a good market when trading conditions generally improve.

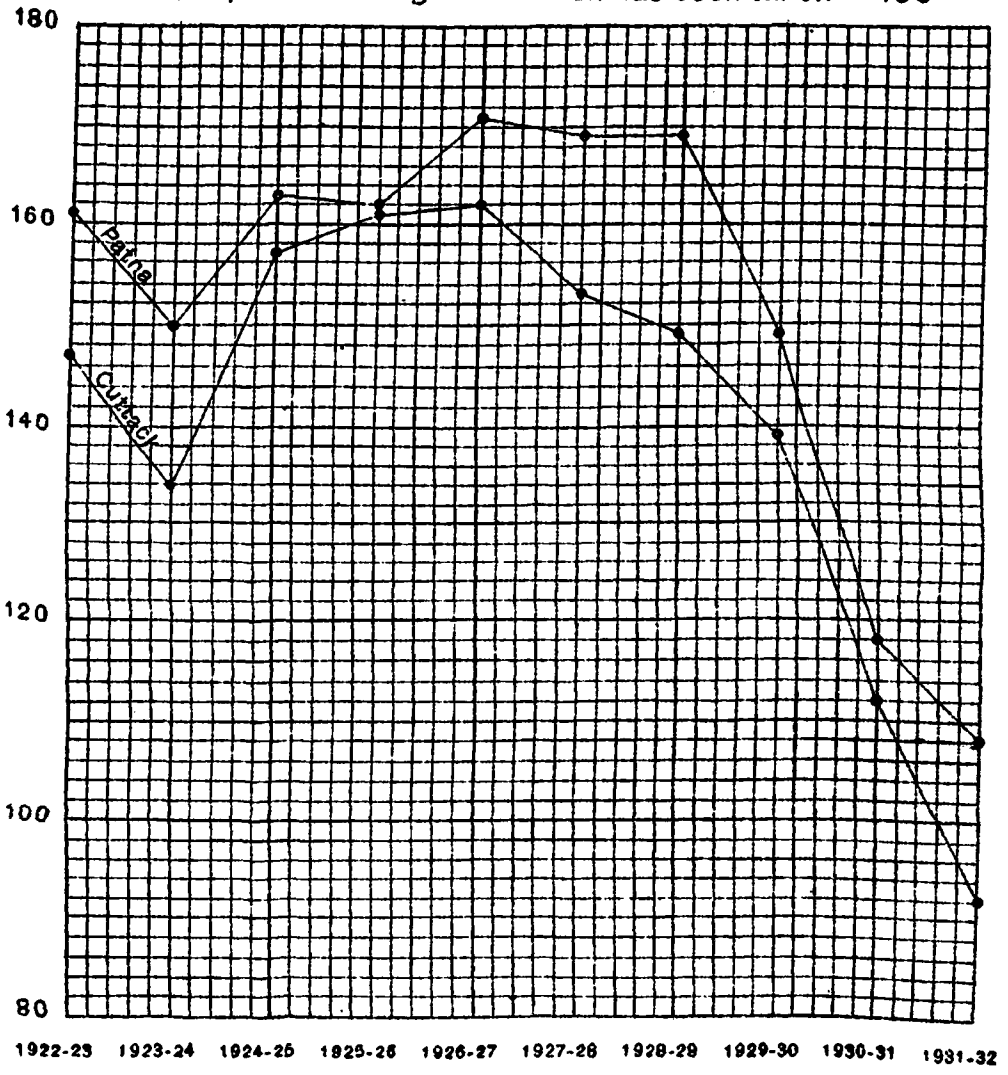
There were 2,007 accidents at factories in 1931 compared with 2,281 in 1930. The outstanding feature of the year was that there were only thirteen fatal accidents compared with thirty-six in 1930, and fifty-four in 1926. From October 1931 to March 1932 there

was no fatal accident at any steel works which is a record for the industry. This was the first year in which the inspecting department had a staff adequate to carry out its functions. All the factories on the register were inspected and the number of inspections increased by 26 per cent. The increase in staff sanctioned in 1930 enabled the department to exercise a stricter supervision over factory conditions. There were 43 prosecutions under the Indian Factories Act in 1931 and 42 convictions were obtained against 28 persons. In 1929 and 1930 there were only 3 and 17 convictions respectively against 2 and 9 persons. Sanitation was fairly satisfactory and ventilation and lighting has been improved in several factories. The number of women employed fell by 16 per cent to 5,369 and that of children by 30 per cent to 558. Managers of factories in general are said to show a greater readiness to regard the inspector as " an unpaid adviser and not as a useless irritant ". More attention is given to fencing of machinery and the improvement of factory railways. In one instance a mechanical apparatus received from abroad was discovered to be dangerously defective : the manager consented to a destructive test which revealed the weakness and he ordered the apparatus to be strengthened up to the prescribed standard.

The relations between employers and labour were good throughout the year. There has been a small decrease in the rate of wages in some industries. The statistics of cost of living show that Cuttack continued to be the cheapest place in the province for the workmen to live in, and Jamshedpur the dearest with Jharia a close second. For the whole province the index during some months of the year fell to a level only a few points above that of 1914. Since the trade depression fewer people from other provinces have been able to find employment in the mines and factories of Bihar and at the same time there is a smaller demand for the services of natives of the province in Bengal. The result is that remittances from labourers abroad to their homes have decreased and less money is spent inside the province. Total payments by money orders in the province decreased from Rs. 664 lakhs to Rs. 621 lakhs.

One of the most important duties of the department of Industries is to help the artisan to live through the slow transition from the village to the factory organization of industry. If the factory could guarantee employment to the craftsmen which it displaces and ensure higher standards of efficiency, the change would be for the better, but unfortunately this is not always the case. As long as a large number of cultivators supplement their income from the soil by means of small crafts, cottage industries

Chart showing rise and fall in cost of living of the labouring classes at Patna and Cuttack as compared with the pre-war normal period ending 1914 which has been taken = 100



must be the serious concern of the State. Of the village crafts hand-weaving is the most extensively followed, and although it has suffered from competition with the factory, it is probably true that the village industry has been far less affected than the factory by the present economic depression. High duties on imported cloth and the propaganda in favour of *swadeshi* goods has to some extent benefited the village weavers, and it is said that the handloom industry is increasing its outturn every year. It is satisfactory that the trade in textiles produced in Bihar, both foreign and domestic, maintained its position in spite of the depression. On the other hand the significant feature of the last two years is the increasing sale of Japanese cloth.

The Industries department has done useful work in helping village craftsmen to attain a much higher standard of technical knowledge and skill and it is regrettable that the demonstration parties which have toured various districts of the province have had to be reduced in number from ten to seven owing to the financial situation. More efficient appliances and improved processes have been introduced: it is estimated that in the last twelve years nearly 28,000 improved looms have been taken over by the hand-weavers of this province. During 1931-32 demonstrations were carried out in over 5,000 villages and in some places weavers have been taught to produce finer counts and cloths of modern designs. The increase in the outturn of the handlooms is said to be as much as Rs. 80 lakhs per annum and the total annual output is estimated to exceed Rs. 4 crores. Young craftsmen are trained at technical institutes at Patna, Gaya, Bhagalpur and other places, and it is encouraging to find that there is keen competition for entry to the cottage industries institute at Gulzarbagh. Here appliances suitable to the needs of cottage workers are manufactured but local carpenters are now taking a bigger share in this work. The department also attempts to provide better marketing facilities for the industry and its participation in the British Industries Fair as well as in the Leipzig Industrial Exhibition has done much to stimulate foreign interest in these goods. Of particular interest is the report that the sale of cottage textiles in Europe and New Zealand markets increased from £7,937 in 1930-31 to £8,410 in 1931-32, convincing evidence of the estimation in which the quality and workmanship of the fabrics are held abroad. The total sales of goods made at the industrial institutes during the year amounted to nearly Rs. 1,50,000.

Financial stringency compelled the Government to discontinue the propaganda for eri silk-rearing during the year, but a large number of people have taken up the culture in Orissa.

The demand for carp-fry was satisfactory and was not affected by the trade depression. The department continued its propaganda and technical advice to tank owners. The carp-breeding centre at Ghatsila had not given good results and it was abolished as a measure of retrenchment towards the end of the year. The glut of fish in the Calcutta markets was responsible for a reduction in the export of fresh fish from the Chilka lake, and there was a slight fall in the export trade from Bihar. Co-operative societies of fishermen have not been a success.

The engineering staff of the department, though greatly reduced, gave useful service to a large number of small industrialists who were in difficulties with their plant. The department maintained a valuable system of commercial and industrial intelligence and answered a large number of enquiries. No industry received financial assistance from the State during the year. State-aided enterprises have not been successful in Bihar.

The province supports a College of Engineering at Patna and 22 schools providing technical education, excluding the Indian School of Mines at Dhanbad and the Beniadih Industrial School. There were 2,022 students on the roll of these institutions during the year. The total net expenditure on technical education amounted to over Rs. 4,95,000 compared with Rs. 6,05,000 in the previous year. It is satisfactory that the number of applicants for admission to the college and schools is increasing and there would probably be a still further improvement if industrial employers were determined always to recruit skilled craftsmen trained at these institutes instead of untrained men. The lead given in this respect by Messrs. Tata and by the East Indian Railway workshop at Jamalpur should provide a strong inducement for the choice of an industrial career by the youth of the province. The lack of funds has made necessary the suspension of State technical scholarships for study abroad but five stipends were given for the training of students in other parts of India. In 1931 the Tata Iron and Steel Company decided to abandon the system of reserving places at their technical institute at Jamshedpur for natives of the province and in future young men of Bihar and Orissa will compete on equal terms with the rest of India.

Industrial enterprise as well as the public convenience will benefit from the increasing supply of electrical energy in the chief towns of the province. During 1931-32, 43.4 lakhs of units were sold by public supply companies holding licenses under the Electricity Act, as against 38.7 lakhs in the previous year. The number of consumers increased from 3,310 to 3,832. Since the end of the year, two new companies, at Monghyr and Chapra have commenced

operations making in all eight public supply companies in the province. In addition to these there is a supply to the Government and other public buildings at Dhanbad by arrangement with the East Indian Railway. Negotiations are on foot for the provision of electrical supply at other towns. Towards the close of the year, an advisory board examined the maximum rates laid down in the Patna-Dinapore Electric license, and as a result of its report, a reduction has been made in the rates. This measure should stimulate consumption.

There is no doubt that there is a greater demand for electricity in the province.

Two of the limited liability companies registered during the year were formed for the supply of electric power. The number of limited liability companies registered in the province is 96 and they have a total paid-up capital of Rs. 131 lakhs. Of these twelve are banking firms, and two insurance companies. Most people are still shy of the banks and the middle classes generally deposit their money in the post office savings banks. In 1931-32 new deposits at post offices in Bihar and Orissa amounted to Rs. 183 lakhs compared with Rs. 175 lakhs in the previous year, but withdrawals increased by Rs. 20 lakhs to Rs. 199 lakhs. The number of depositors decreased by over 11,000 to 147,118. The balance in savings banks at the end of the year was Rs. 247 lakhs compared with Rs. 255 lakhs in March 1931. Investments in five-year cash certificates increased by Rs. 6 lakhs to nearly Rs. 46 lakhs. At the end of the year there were 147,000 accounts at the savings banks compared with nearly 159,000 a year before. The figures show that while fewer people had money to invest the people who could do so preferred Government securities.

The economic depression reduced the number of articles despatched by post inside the province from 75 millions in 1930-31 to 68 millions in 1931-32 compared with 82 millions in 1929-30. The value of money orders issued decreased by Rs. 5 lakhs to Rs. 547 lakhs.

To people who want security in their financial transactions post offices perform a very important service. In many parts of the province offices cannot be opened because they do not pay their way : eleven offices are kept open only because the local Government guarantee to make good any excess of expenditure over revenue. With a total of 1,710 post offices, one to every sixty-five square miles, Bihar and Orissa has fewer postal facilities in proportion to area than any other province except Burma and Assam.

Progress in industry and agriculture requires a freer supply of credit and the post office is not a suitable channel for this purpose : the remedy may lie with the indigenous banker but until he can improve his methods and win public confidence the economic development of the province is bound to be slow unless it attracts outside capital.

APPENDIX I.

A short summary of the Administration of Bihar and Orissa in 1932.

Changes in Administration.

Sir Hugh Lansdown Stephenson, K.C.S.I., K.C.I.E., I.C.S., resigned his office as Governor of the province of Bihar and Orissa on the forenoon of the 7th April 1932 and Sir James David Sifton, K.C.S.I., K.C.I.E., I.C.S., former Member and Vice-President of the Executive Council, assumed charge of it on the forenoon of the same day on return from leave. The Hon'ble Raja R. N. Bhanja Deo, O.B.E., Vice-President of the Executive Council, proceeded on four months' leave on the 24th May 1932. The Hon'ble Mr. J. T. Whitty, C.S.I., C.I.E., I.C.S., was appointed to be Vice-President temporarily and Sir Saiyid Sultan Ahmad, Kt., Barrister-at-Law, was appointed a temporary Member of the Executive Council. The Hon'ble Sir Saiyid Muhammad Fakhr-ud-din, Kt., and the Hon'ble Sir Ganesh Dutta Singh, Kt., continued to be Ministers in charge of the portfolios of Education and Local Self-Government respectively.

The tours of the Governor.

His Excellency Sir Hugh Stephenson visited the Monghyr, Palamau and Darbhanga districts in January, February and March respectively and before bidding farewell to the province he held a Durbar and attended a farewell police parade at Patna. His Excellency Sir James Sifton held a Durbar for the presentation of titles and honours in September at Ranchi and before coming into residence at Patna he made a tour of institutions at Gumla in the Ranchi district and also at Hazaribagh and Gaya. In November His Excellency spent a day at Sonepur Fair where he received an address from the Saran District Soldiers' Board; he also paid a short visit to Delhi. In December, His Excellency visited Darbhanga, where he was the guest of the Maharajadhiraja, and also Muzaffarpur.

Political and general events.

Civil disobedience, which was resumed by the Congress in January 1932, was a political weapon of steadily diminishing efficacy as the year advanced. In the greater part of the province it had produced no outward disturbance. Its violent manifestations

in Tirhut and in the Monghyr district, brief as they were, left a troubled atmosphere, but they did not recur. The posting of additional police to the disturbed areas in the Muzaffarpur and Monghyr districts, though resented, served to re-establish confidence. By the month of April the initial burst of turbulence had spent itself and open out-breaks of disorder had been checked. During the remainder of the year the political campaign against the Government attracted less and less attention. The public understood that constant agitation could not regain material prosperity. The communal award of the British Government, which was made only in default of agreement among Indian politicians could not with honesty be made a grievance against the Government. The failure of the monsoon, especially in north Bihar, was canvassed much more eagerly than the political situation. Agitation became more and more the business of professionals. The energies of Congress were to some extent absorbed by legitimate propaganda to promote indigenous industries and economic nationalism, and later in the year by Mr. Gandhi's agitation on behalf of the depressed classes. Public interest was later focussed on the proceedings of the third Round Table Conference at London and on the constitutional changes which the Conference made imminent. Advocates of violent remedies continued their subterranean propaganda and, given the chance, there were ample materials in Bihar for a fresh explosion, but for the present people were disgusted with irrational methods of political warfare. It is pleasing to record that the students of the schools and colleges as a body took no part in political demonstrations during 1932. Agricultural prices were still low but there were signs of improvement which had a favourable influence on the public revenues.

Congress tried to recover its influence principally through the circulation of a very large number of cyclostyled pamphlets. These usually urged a boycott of British goods and appealed to the police to desert. Other pamphlets issued under the authority of the auxiliary "Hindustan Socialist Republican Army" encouraged Indians to kill Europeans. There were a few isolated communal riots in April and May and the *Bakr-Id* and *Muharram* festivals caused tension at many places, but trouble at few, a result which was largely due to the careful precautions taken by the police. The villagers of Barhi in the Monghyr district maintained their reputation for lawlessness. In April they made an organized attack on and seriously injured a defenceless resident who had purchased the property of persons convicted of political offences. To protect life and property additional police had to be quartered in the

village. During this period, however, there was only one occasion on which the police were attacked. On the 17th April at the Kulharia fair in the Bhabua subdivision of the Shahabad district a police head-constable, who at the time had at his disposal only a few *chaukidars* and *daffadars*, arrested two Congress volunteers who were making a disturbance and brought them to the temporary police-station. Other volunteers incited the crowd which had collected to demand the release of the arrested men and soon a mob of two thousand people gathered round the police building. The head-constable decided to start for the police-station at Durgaoti with his prisoners and a few *chaukidars*, but the mob followed and attacked the small party with stones and brickbats compelling the head-constable to take shelter in a small building at a railway level crossing. Some time later the crowd stopped throwing stones and returned to the *mela* where they set fire to the temporary police building and in the uproar which followed rowdy elements looted seven or eight shops most of them owned by Muhammadans. News of the riot had reached the sub-inspector who had left the *mela* on the previous day to make arrangements for the *Bakr-Id* festival and when he arrived at Kulharia with a few constables he found that the looting of shops was still in progress. He fired two shots with his gun and although no one was hurt the crowd immediately deserted the *mela*. There was no further trouble and the principal mischief-makers were caught and prosecuted.

For the next few months the agitation slackened. The "national week" was everywhere a fiasco and "Jallianwala Bagh" day caused anxiety only in the Muzaffarpur district. Prisoners at the Patna camp jail and also at the Muzaffarpur jail were insubordinate, and in the former place force had to be used to restore order. Balasore, in Orissa, was a potential seat of disturbance because of its accessibility to agitators from Bengal and also owing to the convenient asylum which Congress agents found in the French enclave inside the town. There were intermittent attempts to picket cloth shops but this form of activity was little in evidence, and there was a general absence of demonstrations. The attempt to damage the contents of postal letter boxes never became a serious nuisance and this line of attack was abandoned under the orders of the provincial Congress committee, but the cutting of the telegraph wires at four places in the Hajipur subdivision proved that mischievous elements were still at large. The Congress found it difficult to keep interest alive but its agents hoped to maintain a desultory agitation until the more

important leaders were released from jail. Although there was no popular demonstration when this occurred in June, the re-appearance of veterans, skilled in the art, led to a slight revival of the picketing of cloth shops which was entrusted to young boys. The attempts to re-affirm the resolutions passed by the Congress meeting at Delhi were half-hearted and unsuccessful; the Utkal provincial conference at Cuttack came to an abrupt ending; " Gandhi day " and the attempted boycott of the railways were failures.

The Congress volunteers who were released in June were expected to stimulate fresh trouble and in the month of July there were determined, but abortive attempts to put into effect the plans of campaign which they had conceived while they were in jail. As usual north Bihar received most attention. Picketing became more common especially in the Muzaffarpur district and in Patna there was an unsuccessful attempt made to interfere with excise auctions. The absence of picketing in some districts was put down to the continued willingness of cloth traders to submit to blackmail. To make it difficult for the police to prosecute offenders Congress drafted volunteers from distant parts of the Bhagalpur division and the Saran district into commercial centres like Patna and Muzaffarpur but there was very little response from the public. The illness of the provincial Congress " dictator " and the arrest of those leaders who refused to abide by the orders issued under the Criminal Law Amendment Act and the ordinances damped enthusiasm. Demonstrations increased in number but the police had no difficulty in maintaining order. The authorities found it necessary to restrict the movements of the more dangerous agitators to certain areas but the total number of such orders issued during the year was limited to forty-two. Congress funds forfeited under the ordinances amounted to about seven hundred rupees. In two instances only, both in the Champaran district, did the Government consider it necessary to impose collective fines under the ordinance. Since the inception of civil disobedience the villagers of Piprahia had persistently broken the law, had harboured criminals, and had sent an unfailing supply of riotous volunteers to cause trouble at Bettiah. The repeated warnings of the authorities were ignored and as the inhabitants were determined to persist in offences which were prejudicial to the maintenance of law and order in the neighbourhood they were required to pay a fine of five hundred rupees. This order was received with a stubborn refusal to pay but a surprise raid by the police ensured compliance and a more general respect for law. The inhabitants

of Bettiah were given similar warnings but they continued their old practice of staging illegal demonstrations which were always liable to develop into a riot. They were intent on making the town a scene of continual disturbance which emboldened the habitual breakers of the law. The fine of three thousand rupees which was imposed produced a change for the better. In both places persons who had dissociated themselves from civil disobedience were exempted from the fine.

There were fears that the idleness forced on the labouring population by the late rains would lead to more dacoities in those districts of north Bihar such as Purnea, which were traditionally given to this particular form of crime. For a short time there was a scare of dacoities in Patna district which was not justified by the facts. In the province generally there was during 1932 a sharp fall in the number of dacoities as well as in the number of burglaries which gave relief after the alarming records of serious crime in 1931. Than this achievement there could be no better tribute to the watchfulness of the police during a time of economic depression or to the manner in which they maintained order in the face of renewed attempts to organize widespread defiance of the law. The work of protecting the public from law-breakers was arduous. The heavy crime of 1931, apart from political offences, had filled the jails : it is noteworthy that from June to the end of 1932 the overcrowding of jails was directly caused by the large increase in the number of persons convicted of ordinary, that is, non-political crime, a convincing proof of the extent to which the lawless activities of Congress had multiplied the numbers of the ordinary criminal population. Congress agitators and revolutionaries had cultivated a mental bias towards brigandage and violence; they used every opportunity to disturb the peace and invade the rights of property; the constant vigilance of the authorities was still the only security against disorder. In June a gang of dacoits who were later found to include members of the Congress attacked the post office at Sabour in the Bhagalpur district and having failed to open the safe they attempted to terrorize the postmaster on whom they inflicted slight injuries. Thanks to the courage of the postmaster's wife they beat a hurried retreat without achieving their object and subsequently two of them were arrested. The activities of Congress disturbed two other areas. Barhi, a village in the Monghyr district, had long been a notorious centre of disaffection where the local Congress organization had been perfected and on repeated occasions had defied the district authorities and had attempted to place itself above the law. Additional police had been

posted in the village but the local agitators were still capable of mischief and in June a mob rescued a prisoner and assaulted the police escort. Agrarian discontent among the tenants of large zamindars in the district of Palamau had not subsided and Congress agents were quick to make capital out of their grievances. On the 20th June at Bhandaria, a remote village on the borders of the Sirguja State, a large crowd mostly of aboriginals was organized to recover possession of the Congress office and to threaten the police, but by the arrival of the district officers and police reinforcements two days later the mob had dispersed and order was restored. Three days later in the same district, a party of police and *chaukidars* of Untari, who had gone to arrest Congress agitators at the village of Garbandh near the border of the Mirzapur district of the United Provinces, were assaulted by a mob, captured and bound hand and foot. The timely arrival of a local zamindar, the Bhaiya Sahib of Untari, effected their release and the principal rioters were immediately caught and punished. These incidents were the work of released Congress workers who persuaded their credulous aboriginal friends to believe that the police were powerless and that under the Congress regime they would not have to pay rent or render services to the landlords.

The strenuous efforts of the All-India Congress committee to revive public enthusiasm at the beginning of July met with conspicuous failure. The 4th July was set apart to celebrate the sufferings of prisoners and to intensify all forms of boycott, but public apathy killed the plan. There were noisy demonstrations in Darbhanga town and a *hartal* was observed at Bettiah. Attempts were made in the Muzaffarpur district to stop the payment of the tax levied for the maintenance of the additional police forces in that area and in the Hajipur subdivision mobs opposed the arrest of volunteers by the police. Small but insignificant processions were taken out in various parts of the Bhagalpur district; only at Tegra where there had been a previous disturbance was danger feared, but this was averted by the arrival of a magistrate with a force of police.

Having alienated public sympathy by these exertions, Congress was forced to find new expedients for self-advertisement. In North Bihar the energies of the leaders were devoted to organizing a spectacular capture of the *Sadaqat Ashram*, the provincial headquarters of the Congress at Patna, which was in the possession of the police. " Storm troops " from other districts were ordered to take the citadel and a large number of arrests had to be made all

at some distance from the *ashram* which was never in any danger. Many detachments were broken up before they left their home districts. Demonstrations against *ashrams* were made in other parts but these as well as the flag-hoisting ceremonies were feeble and ineffective. The seriously deficient rains especially in Bihar and the alarming delay of transplantation took first place in the public mind. In Orissa there had been an excess of rain, and here Congress was more troublesome than it had been for many months, chiefly because the local " dictator " had come out of jail. Having despatched a pompous ultimatum to the District Magistrate of Cuttack some noisy Congress volunteers on the 11th July raided the court building; sat on the platform and destroyed a few forms and a *punkah* frill before being arrested. A week later another raiding party rushed into the District Magistrate's room, and before the police could intervene they asked him to hand over the administration to them. A few days afterwards volunteers were ejected from an *ashram* which was not under special police guard. Volunteers occupied it a second time and they were again ejected. For a short time picketers of excise shops were active and the volunteers paraded for knife drill. At Bargarh in the district of Sambalpur, a volunteer who asked the subdivisional officer to vacate his chair was suitably punished. At the same place a large crowd threatened to assault police-constables who had arrested picketers of an excise shop. The magistrate's order to disperse was disobeyed but two *lathi* charges by the police had a salutary effect and finally the crowd went away. The spurt of activity in Orissa was not maintained despite the fact that, in the Balasore district for example, ninety per cent of the persons who had been prosecuted for civil disobedience were out of jail by the middle of August. The public was tiring of civil disorder.

From the middle of August until the end of the year the unlawful activities of Congress were outwardly few and sporadic, and the province was free from disturbance. Demonstrations against *ashrams* in police occupation had come to an end and the picketing of excise shops which was the next phase of Congress policy was of brief duration. The picketing of cloth shops was more pronounced in the Bhagalpur and Orissa divisions than in other parts of the province, but Japanese competition and the cheaper price of products of Indian mills rather than the political boycott were chiefly responsible for the decreasing sales of British cloth. In Orissa picketers who lay on the ground, had to be forcibly removed : Congress made desperate efforts to keep up the publicity campaign. There were signs that the boycott had established itself

as a standard method of agitation for every conceivable purpose: at Cuttack it was used as an instrument of commercial rivalry against the products of the Bengal Nagpur Cotton Mills and in north Bihar for the benefit of Standard Oil against Burma Oil. Later in the year the boycott was directed against the white sugar mills of the Tirhut division. Public opinion, though hesitating to organize itself in frank opposition to Congress, several times became impatient with its vexatious dictation : the inhabitants of a village in the Champaran district forcibly ejected a number of volunteers; the people of Colgong in the Bhagalpur district on their own initiative removed the Congress flag which had been hoisted on a school building; and in Balasore prominent leaders deserted Congress and openly declared themselves against its methods. Public interest everywhere was concentrated on the agricultural situation. Owing to the deficient rains conditions of scarcity prevailed in the greater part of the Tirhut and Bhagalpur divisions and, the loss of the rice crop was feared. The communal award attracted little attention but Mr. Gandhi's resolution to fast on behalf of the depressed classes aroused considerable feeling and educated Hindus made an attempt to rid society of undesirable social barriers. During the few months' campaign to popularize Mr. Gandhi's ideals the normal programme of Congress was in abeyance. In this situation the Government had no difficulty in quashing the few efforts which were made to continue the external defiance of the law. Early in September the attempt to hold a provincial conference of the Congress party at Gaya miscarried; the delegates were all intercepted; the police arrested a feeble procession of thirty volunteers; there was no excitement in the town and business went on as usual. A district conference at Darbhanga met with a similar fate. During this month the childish habit of stopping trains by pulling the communication cord became common. In October an English delegation of the India League was conducted round various parts of the province by Congress agents. Reluctant to give its whole time to the campaign for removing untouchability, Congress could not entirely desist from unlawful activities. Stimulated by events in the Bombay and Madras Presidencies enthusiasm struggled fitfully to vitalize the work of social reform, but this was only one of the many objectives entertained by Congress politicians and as the orthodox opposition mobilized its forces it became increasingly difficult to sustain the early vigour of the movement. Alarmed by the fall in the number of persons imprisoned for political offences, the leaders appealed in vain for volunteers to overcrowd the jails for the sake of their country. The peaceful boycott of goods banned

by Congress was effective in some districts but attempts to revive picketing on a large scale failed through lack of recruits, and demonstrations were no longer in favour. The year 1932 ended on a quiet note.

While the province was slowly recovering from the attempt to revive civil disobedience the committees, which had been sent out to India by the second Round Table Conference to prepare the framework of the new constitution, had completed their task. In the summer of 1932 were published reports on two subjects of great importance, first, the financial relations which were to exist between the federated provinces and the new federal Government, and second, the size of the new electorate and the qualifications which would entitle a person to vote at the election of members of the new legislatures. To Bihar with its dense population, exceeded only by that of three other provinces, with its small, inelastic revenue, and with no important centre of commercial wealth, the allocation of a less patently inadequate revenue has become a vital necessity. Even before the trade depression the poorest province in India could not afford the standard of administration maintained in the neighbouring provinces. In land revenue, the principal of its resources there is no prospect of expansion and with the fall in prices other sources have become much less productive : new sources of taxation will for some time be difficult to exploit. The local Government with the strong support of the Legislative Council have repeatedly emphasized the view that under present conditions the financial resources allotted to the province will not permit a Government completely responsible to the legislature to function. They fear that if there is no redistribution of funds on a liberal basis, even the results of the restricted progress of the last two decades will be lost. Lord Eustace Percy's committee recognized the needs of the deficit provinces and conceded some of the implications of their arguments but their proposal to distribute the income-tax among the provinces less the corresponding contributions to the federal exchequer will scarcely equip the future popular Government of Bihar for the adequate discharge of its functions.

Without a reinforcement of financial resources the extension of the franchise cannot be expected to yield the results anticipated by constitutional reformers. At present the registered electors number 374,000, that is, about one per cent of the total population and about four and a quarter per cent of the adult male population. The committee, of which Lord Lothian was chairman, proposed that the electorate should be raised to 3,500,000, or about ten

per cent of the total population, and of this 350,000 would be women. The general basis of the franchise would be the payment of *chaukidari* tax at the minimum rate of six annas a year, or a corresponding rate of municipal tax in urban areas, the upper primary standard of education for all male electors, and literacy for women and the depressed classes. Special representation was recommended for women, industrial labour, the aborigines, commerce, landlords and the universities. The provincial Legislative Council at present consists of one hundred and two members, seventy-six elected, twenty-four nominated, and the two members of the Executive Council. Under the new constitution the official element would be withdrawn, and the committee recommended that the membership of the Council should be increased by twice its present number. The business of applying these recommendations in a comprehensive and thorough manner is likely to be complicated. The preparation of a roll of electors and the establishment of inexpensive electoral machinery capable of bearing the strain of the increased electorate present formidable financial and administrative difficulties which do not appear to have been fully appreciated. The cost of a general election on the proposed new franchise, such as is to be held every five years, is estimated at the very lowest to be Rs. 5 lakhs, and as long as low agricultural prices and the present financial settlement continue to operate this sum is scarcely within the means of the province. The advent of popular Government therefore makes all the more insistent Bihar's claim to an equitable revision of the existing financial arrangement. Comment on the two reports was meagre, but the Legislative Council in August unanimously passed a resolution declaring the revenues assigned to Bihar by the Percy Committee to be inadequate. The one newspaper which noticed the report dismissed the conclusions of the committee as " unwarranted conjectures " put forward to increase the difficulties in the way of establishing a self-governing federation. Congress supporters condemned the franchise report because it had shirked the responsibility of recommending complete adult suffrage and their criticism of the representation allowed to special interests was endorsed by the *Bihar Herald*, a paper representing the views of the domiciled Bengali community. A Muhammadan journal welcomed the proposals to extend the franchise, but was apprehensive of the huge expenditure which they involved and critical of the separate seats granted to women in the new legislature. Educated people awaited with greater interest the publication of the communal settlement by the British Prime Minister.

In August the British Government performed a distasteful duty imposed upon it by the inability of Indian politicians to agree on the electoral basis of the new constitution. In the future legislature of Bihar and Orissa the Prime Minister's award allocated 99 seats (including 3 women) to the Hindus, 42 seats (including one woman) to the Muhammadans, 8 seats to representatives of backward areas, 5 seats to the landholders, 14 seats to special interests like labour, commerce, universities, the Indian Christian, Anglo-Indian and European communities, and 7 seats to the depressed classes. This distribution of electoral power among the various communities aroused little interest among the mass of the population in this province. The educated leaders of the Hindu majority condemned the recognition given to the smaller communities, and in some quarters the charge was made that the Government had deliberately disintegrated the Indian nation in order to retain power in its own hands and to postpone self-government. There were, however, leaders even among the Hindus who admitted that this criticism of the award was unreasonable since Indians themselves had enjoyed, and still retained, ample opportunities of coming to an agreement among themselves. The late Sir Ali Imam gave the sensible advice that the award should be accepted and worked until the communities could agree on a better solution. Muhammadans with few exceptions were satisfied with the decision, and they were suspicious of the efforts made at the Unity Conference at Allahabad to revise the settlement. Hindus welcomed any scheme which would give their community greater political solidarity than that promised by the award of the British Government, but at the close of the year the inconclusive results of the conference at Allahabad could not provide them with much consolation.

Mr. Gandhi stated that to him the grant of separate electorates for twenty years to the depressed classes meant the disruption of Hinduism and he announced his intention of starving himself to death unless this part of the award was withdrawn. In the opinion of many, there were no rational or moral grounds sufficiently strong to justify the threat of suicide, but Mr. Gandhi hoped that by eliciting general compassion the leaders of the depressed classes on the one hand would be persuaded to trust their political future to the goodwill of the general body of Hindus and to withdraw their insistent claim to separate constitutional guarantees; and that on the other hand the higher caste Hindus would by demolishing the ancient barrier of untouchability remove all sense of grievance and admit the lower orders to complete social

and political equality. With the admittedly incomplete attainment of the first object Mr. Gandhi stopped his fast: the leaders of the depressed classes gave up the demand for a separate electorate and on obtaining a liberal reservation of seats to be filled by their own elected representatives agreed that their people should be treated as Hindu voters. In Bihar and Orissa the depressed classes, for whom under the Poona settlement eighteen seats were reserved in the provincial legislature, exceed four millions in number, most of them politically backward, inarticulate, and without leaders. It was significant that in meetings held at Muzaffarpur, Cuttack and Patna they were suspicious of and even hostile to the agreement which had been reached at Poona and endorsed by the British Government. It cannot be said that the distinctions between joint electorates, separate electorates, and reserved seats were fully understood by the depressed classes. The achievement of Mr. Gandhi's second object presented obstacles far more difficult to surmount. Enlightened leaders of Hindu opinion, inside and outside the Congress party, enthusiastically started a campaign to remove the social and religious disabilities of the depressed classes, but their zeal weakened when Mr. Gandhi broke his fast and by the end of November 1932 their propaganda had lost much of its original momentum. Provincial and local boards of the league to abolish untouchability were set up but the Hindu Sabha which gave its general approval could not countenance any proposal to encourage inter-dining or inter-marriage between the higher castes and outcastes. Public meetings were held where members of the depressed classes sat in the company of higher castes; in some places they were freely admitted to the temples; elsewhere only partial admission was allowed and some of the temples were purified afterwards. In some areas the untouchables themselves were unwilling to be forced into accepting privileges to which they were strangers. Newspapers announced that Mr. Gandhi's gesture had in a few days swept away the age-long prejudices and distinctions of the caste system, but such a claim was nowhere borne out by tangible results. At the same time there can be no doubt that Mr. Gandhi's action strengthened the levelling forces which for many years had been at work in Hindu society. The orthodox were entrenched in strong positions which they would not surrender; the authorities of the temples at Puri and Deoghar and also at Gaya refused to admit the depressed classes and the intermittent agitation for free admission gradually weakened. The 18th December was observed in many places as " Anti-Untouchability Day " but apart from large meetings at Begusarai and

Chapra the celebrations were on a small scale. At Deoghar outcastes took part in a priestly demonstration against the removal of untouchability. Many Hindus disputed Mr. Gandhi's authority to overthrow traditions consecrated by time and experience and one or two speakers declared that rather than violate their religious code they would allow Mr. Gandhi to die. At the end of the year the higher castes were organizing resistance to further attacks on the social structure : the forces of reaction were gathering strength.

Public interest in Orissa was centred on the report of the Orissa Committee which was published in May 1932. The Indian Statutory Commission following previous enquiries by Government officials had been impressed with the arguments in favour of creating a new Orissa province which would include areas inside and outside the limits of the existing province of Bihar and Orissa. Sir Samuel O'Donnell's Committee was appointed by the Government of India to examine and report on the financial and other consequences of setting up a separate administration for Orissa and to suggest the boundaries which the new province would follow in the event of separation. There was general recognition of the fact that the Oriyas form a distinct unit among the peoples of India, with a separate language, history and traditions of their own. The present Government of Bihar and Orissa considered that the demand for an amalgamated and separate Orissa was a natural one and that it should be granted if the financial difficulties could be overcome. In the face of much opposition, Oriyas had pleaded for the inclusion in their province of large areas of Chota Nagpur, Bengal, the Central Provinces and the Madras Presidency, and the time of the Committee had been largely occupied in determining to what extent these claims for additional territory were justified. The Committee were unanimous in recommending that if the new province were established it should include the three coastal districts of Cuttack, Puri and Balasore, the districts of Angul and Sambalpur in the province of Bihar and Orissa; the Khariar estate of the Raipur district, and the Padampur estate in the Central Provinces; the greater part of the Ganjam district and of the Vizagapatam Agency tract in the Madras Presidency. The majority of the Committee, in disagreement with the chairman, recommended that the new Orissa should include the estate of the Raja of Parlakimedi. The Committee were unanimous in rejecting the claim that a part of the Midnapur district of Bengal, or that Singhbhum or any portion of Chota Nagpur should be absorbed in the new province. Autonomous Orissa as planned by the Committee. would cover an area of approximately 33,000 square miles with

a population of eight and a quarter millions. On the financial side, the conclusion of the Committee is that the province cannot come into being unless other parts of India are prepared to pay for it. They estimate that in the first year of its existence there will be a deficit of over thirty-five lakhs of rupees which will increase to forty lakhs in the fifth year. It is unlikely that this will be covered by the proceeds of new taxes and the province will have to ask for the allocation of new sources of revenue or a subvention.

Although Oriya opinion was naturally inclined to extend the boundaries of the proposed province beyond the limits recommended by the Committee and to be more sanguine than the Committee on ways and means of surmounting the financial difficulties, the more responsible sections were ready to accept the report as a satisfactory starting point for the new province. The Congress organizations in Orissa, on the other hand, in opposition to the views of the majority of Oriyas, condemned the proposal to create a separate Orissa with inadequate resources as injurious to the best interests of the people. In Bihar, public opinion, so far as it has expressed itself on the subject, is solidly in favour of a separate Orissa since it realizes that at present Orissa is partly financed by Bihar. The non-official members of the Legislative Council at the September session unanimously passed a resolution urging the Government of India to constitute the new province at an early date on the geographical basis recommended by the Committee. Biharis opposed the inclusion of Singhbhum in Orissa, although the educated Oriya minority in that district expressed itself in the opposite sense. A good deal of propaganda has been conducted on behalf of the Oriyas of those areas of the Central Provinces and Madras Presidency which were not included by the Committee in the proposed province. The announcement made by the Secretary of State at the close of the third Round Table Conference in London that Orissa would be given a separate administration gave general satisfaction.

An event of considerable political importance was the foundation at Ranchi in September of the United Political Party which will represent the interests of moderate people in the new legislature and stand for constitutional methods. Under the new constitution the administration of the province will have to command popular support, and power will go to those who can efficiently organize such support. Political rights in the shape of the vote are now being conferred on many persons for the first time, and political rights to be enjoyed must be exercised; no one who wishes to

protect his interests can afford the undisturbed lethargy of other days. It is therefore essential that those moderate people who so far have taken no great part in politics should wake up to their new responsibilities. Their reluctance to engage in politics in the past is largely responsible for the influence which Congress has acquired in the province: as a political organization it has had no competitor and people have been inclined to regard it as the only vehicle of political thought. The new party which has been started, with the support of Hindu and Muhammadan public men of the province and the Maharajadhiraja of Darbhanga at its head, is intended to remedy this defect in the provincial equipment for democratic government. It recognizes no distinction of caste or creed. It wishes to ensure the success of a self-governing administration of India within the Empire. It hopes to reconcile the interests of landlord and tenant, to consolidate sane opinion and endow it with an efficient political machine. Its aim is to conserve and protect the interests of rural Bihar and oppose political activities which descend to violence and disorder. The initiative taken by non-official gentlemen in the formation of the party augurs well for the future of the province under the new constitution. It is too early yet to estimate its influence. A party which avoids extravagant promises will doubtless encounter opposition, but its most difficult task will be to arouse the political sense of those who are not yet alive to the dangers which await any system of popular Government.

Relations between Hindus and Muhammadans.

Political unrest and the controversy waged around the electoral strength of the two communities under the new constitution cannot promote a disposition favourable to communal peace, and in 1932 as in the previous year the possibility of tension deteriorating into open hostilities was ever present. Trouble was expected in the Patna division during the *Bakr-Id* but none occurred during the festival itself. At Khaira in the Patna district, however, the withdrawal of the magistrate and a police force after the festival led to an unpremeditated riot which began with a quarrel at a shop. Six persons were injured, of whom two died. At Warisnagar in the district of Darbhanga two Muhammadans received injuries in a communal riot, but the presence of the District Magistrate and a police force prevented a disturbance at Raniganj in the Purnea district. The only communal trouble during the *Muharram* occurred in a village of the Gaya district where eleven persons were injured. At Monghyr in July a meeting of the Hindu Mahasabha protested against the concession of any of the fourteen

constitutional safeguards demanded by Muhammadan leaders for their community. Events in the Alwar State evoked hostile comment in the Muslim press. During September a number of minor incidents in the Patna and Tirhut divisions betrayed nervousness about the future constitutional position of the two communities, and on the 10th October the authorities at Monghyr narrowly prevented a major disturbance which threatened to follow the elopement and conversion to Hinduism of the wife of a local Muhammadan. At Jamalpur a procession of Dusadhs nearly caused a riot by playing music before a mosque but they finally yielded to wiser counsels. The attempt of a conference of all parties at Allahabad to discover a new communal settlement was regarded with suspicion by the Muhammadans of Bihar. By the sudden death of Sir Ali Imam, K.C.S.I., on the 30th October the province lost a distinguished citizen and lawyer who for many years had taken an active part in public affairs.

Labour.

In 1932 as in the previous year the province was remarkably free from labour unrest. The biggest employers of labour, namely the railway companies and the Tata Iron and Steel Company had been compelled by the trade depression to reduce wages and staff and it was feared that the discontent which resulted, especially among the railway workers, would be used by extremist agitators to call a strike. It is to the credit of the workmen that they understood the difficulties of the employers and followed the advice of the sane leaders. In July a Congress agitator persuaded the workmen at Messrs. Tata's colliery at Dhanbad to come out on strike as a protest against the cut in wages and the management closed down the colliery for an indefinite period.

Crime.

Economic depression, combined with conditions of scarcity in north Bihar, threatened to provide the male-factors bred by civil disobedience with excellent opportunities for crime. It is to the credit of the police that dacoities throughout the province, though still twice as many as they were for the same period in 1929, fell from four hundred and sixteen in 1931 to three hundred and forty-one in 1932 while burglaries decreased by five hundred. North of the Ganges where criminals are more active than elsewhere dacoities were one-third less than they were in 1931. Districts like Saran and Champaran still suffer far more from dacoits than they normally do. In Saran large numbers of people were idle who could not be absorbed by the labour markets of Calcutta, Rangoon and Assam as in the

average year; scarcity drove people to crime in Champaran. These causes were operative in varying degrees all over north Bihar. On the other hand, the firm measures taken by the Government to suppress violent forms of civil disobedience in the Tirhut division and elsewhere produced greater respect for law and made it easier for the police to deal with professional criminals. In March 1932 a force of police was posted to the Purnea district to deal with the dacoits who have for years made this area their special preserve: they have already reduced dacoities in the district by nearly one half of the figure for the same period in 1931. Many of the revolutionary dacoits of the Saran district were in prison during 1932 and those who were still at large were declared to be a criminal tribe. Members of this desperate gang who affect the Congress creed were responsible in November for the murder of an approver in a conspiracy case.

The economic situation.

In 1931 the sharp decline of agricultural prices had generally reduced purchasing power and in particular the capacity of cultivators and landholders to pay rents and land revenue. These effects persisted in 1932 and at one time it was feared that they would be aggravated by a weak monsoon which in north Bihar threatened the loss of the whole of the rice crop. In the northern part of the province, there was practically no rain until the last week of July and there was a serious deficiency in the succeeding months which delayed transplanting operations. The failure of the *hathia* rains again aroused grave anxiety but agricultural conditions during the last two months of the year were better than had been feared. This was partly due to the rain of the first week of November which to some extent benefited the standing winter rice crop and greatly improved the prospects of the *rabi* crop. Rainfall in Chota Nagpur was insufficient but heavier than that of north Bihar. Orissa enjoyed an excess of rain and a good rice crop. The *bhadai* crop was fair throughout the province except in the Tirhut division and in Purnea district. The winter rice crop was bad in Bihar and fair in Chota Nagpur.

In August conditions of scarcity were feared in the Tirhut division especially in the Champaran, Sitamarhi and Madhubani areas and also in the Purnea district of the Bhagalpur division. Fortunately the sugarcane crop, which is rapidly becoming of first-class importance in north Bihar, yielded an outturn above the normal and provided cultivators with considerable resources of cash. At the beginning of July the province had reason to be satisfied with

the manner in which the rural population had adjusted itself to the fall in agricultural prices, but the imminent failure of the crops in north Bihar made it necessary to prepare for distress in that area. Actually the suffering was less than had been expected. District boards and private estates spent Rs. 16,000 on test works in the Tirhut division, while Rs. 5,000 was distributed as gratuitous relief from district relief funds. Of the sum of Rs. 3 lakhs provided in the budget for distribution on agricultural loans, only Rs. 1,80,000 was required, of which about Rs. 1,20,000 was distributed in the Tirhut division. Remissions of rent were made by the bigger landlords and also by the Bettiah Estate which in addition suspended the collection of half the rents from the areas which were in the greatest distress, remitted large sums advanced to the tenants, and repaid loans given to the tenants by the Government. Elsewhere there was no distress.

Prices remained at the low level to which they had dropped in 1931. The price of rice showed a tendency to rise during July owing to the threatened scarcity but this was checked by the fall of rain indicating that stocks were still plentiful. The following figures show that the price had fallen by nearly fifty per cent since 1929. In August, the dearest season of the year, rice averaged at 13 seers to the rupee, compared with $11\frac{3}{4}$, $8\frac{1}{3}$ and 7 seers for the corresponding month in 1931, 1930 and 1929, respectively. In December, the price had fallen slightly to $13\frac{4}{5}$ seers a rupee as compared with 14, 11, $7\frac{4}{5}$ seers, respectively, in the three preceding years. Maize in December sold at 21 seers a rupee, compared with 18 seers in 1931 and 11 seers in 1929. Sugar prices in 1932 were better sustained than those of any other agricultural product. Jute and tobacco showed little fluctuation and were still very low priced. The gross outturn of jute exceeded that of the previous year; the price of this commodity is one-fourth of its price in 1925 and a half of its price in 1929, and the effects of the slump have been pronounced in the Purnea district. Lac which in the earlier part of the year had experienced a fall of nearly fifty per cent from the 1931 price level recovered slightly in July and prices changed very little in the second half of the year. The poor demand for lac greatly reduced the cash resources of the cultivators of Chota Nagpur and there was increased emigration from this area to the tea gardens. The markets showed few signs of recovery and stocks, especially of food grains, were still heavy though the bulk of them were held by the more substantial cultivators and money-lenders. The distress caused by the lack of rain in north Bihar was most acute among the landless

labourers whose opportunities of employment in Calcutta, Rangoon and other industrial areas had been seriously restricted. The poor rice harvest led to unemployment among this class but it was partly offset by the increased work provided by the good sugarcane crop.

In spite of the adverse markets for agricultural goods the greater part of the revenue had been paid by April 1932, but there were grounds for fearing that the future collections would fall below the recognized standards. It was still true that where there was efficient management landlords could recover the bulk of their dues but greater difficulties were encountered in collecting rents and these provided an excuse for the heavy arrears especially in the Purnea district in the payment of cess. But the economic condition of the province during the year cannot be said to have deteriorated. The revenue statistics at the close of 1932 show that so far from being prejudiced by the bad monsoon the collections register an improvement over the figures for a similar period during 1931. Indebtedness among the cultivators has increased and the selling value of land has depreciated, but there has been no acute distress. It is significant that in the Ranchi district the cultivators have paid without any pressure practically the whole of the costs of the settlement operations and the slight increase in excise revenue during the rainy season indicates that economic conditions are no worse and if anything they are brighter. Rent suits have increased in number, and in some districts suits for enhancement of rent have caused uneasiness but the Patna High Court has decided that such enhancement should take current prices into account. Inactive markets have inevitably forced a general readjustment in the standard of living and in the wages of labour. The agriculturist has every reason to expect a corresponding adjustment in the prices of non-agricultural commodities pending a revival in the markets to which he sends his products.

Finance.

The effect of low prices upon the provincial revenue may be judged from the fact that the year 1932-33 opened with a balance of Rs. 42,69 as compared with Rs. 82,52 for 1931-32, Rs. 1,49,70 for 1930-31, and Rs. 1,71,89 for 1929-30. Since 1929 the excise revenue, the largest component of a total revenue of approximately six crores, had fallen by nearly seventy lakhs of rupees; the income from stamps, forests, registration and irrigation had shown a considerable fall. Of this balance, Rs. 28,78 (which was Rs. 13 lakhs above the statutory minimum) was in the Famine Relief Fund, Rs. 3,03 was

accounted for by subventions from the Central Road Development Fund, and Rs. 14 was for an unspent balance out of the grants from the Imperial Council of Agricultural Research. The ordinary balance was only Rs. 10,74. The fact that there was a surplus instead of the deficit, which was at one time expected, was due entirely to drastic retrenchment. The expenditure for 1931-32 exceeded receipts by Rs. 39,97 which had to be found from the accumulated provincial balance.

In the budget for 1932-33 the total revenue was estimated at five crores of rupees as compared with an estimate of nearly six crores at the beginning of 1931-32. The Government was able to announce that expenditure charged to revenue had been cut down to Rs. 4,99 lakhs, a sum which represented a reduction of over a crore of rupees on the actuals of the year 1930-31. This economy, effected in the space of little more than a year, was justly claimed by the Finance Member of the Government in the March session of the Legislative Council as no mean achievement in an impoverished province like Bihar, where the rigid economy which had been practised in the past left little margin for further savings. Retrenchments, as the succeeding paragraphs will show, have curtailed the activities of every department of Government and have reduced administration to the bare minimum. By August 1931 the local Government had on their own motion effected economies amounting to Rs. 28,12. On the recommendation of the committee of the Legislative Council which was invited by the Government in the cold weather of 1931-32 to co-operate in the work of retrenchment, economies were carried out which during the current year were estimated to yield a saving of Rs. 21,15 and will probably yield rather more than this figure. The ten per cent cut in the pay of all Government servants which came into force in December 1931 lessened expenditure by Rs. 4,95 in the year ending the 31st March 1932 and is expected to save a sum of Rs. 19,77 lakhs during the current year. It was feared that even these economies would fail to ward off a deficit at the end of the year, and in the early months of 1932 further drastic retrenchments were effected to the extent of Rs. 12,61. This reduction became possible partly by the complete cessation of expenditure on original works and a smaller provision for repairs, and partly by a rigid elimination of all schemes which could not be classed as essential. Important savings were effected by reducing the primary education grants by ten per cent, and by reducing to one half the grants for communications out of the proceeds of the tax on motor vehicles.

With the level of public expenditure now in force—five crores—it is not possible for long to give a progressive administration to a province of thirty-eight million people, and the establishment of popular Government is likely to prove this proposition beyond any doubt. Government and the provincial legislature have frequently protested against the financial settlement which condemns them to develop the province without adequate resources, and in the debate in the Legislative Council at the September session representatives of all parties expressed disappointment with the proposals of the Federal Finance Committee to which they had looked for succour, and made clear their opinion that these proposals constituted the bare minimum of the new provincial settlement. That Committee had allotted to Bihar and Orissa under the new constitution a share of the proceeds of the income-tax amounting to one crore seven lakhs of rupees, but they exacted from the province a contribution of thirty-five lakhs to the federal revenues, leaving a net addition to the provincial income of seventy-two lakhs. On the most optimistic view of revenue and expenditure during the first five years of responsible Government the province can rely on no greater margin than a surplus of two lakhs and will just be able to make both ends meet: any expansion of the beneficent activities of the Government will be out of the question and the province will have to abandon the hope of approximating its standards of administration to those which actually obtain in other provinces where there is only a slightly greater population.

For the present Bihar is fortunate to have maintained solvent finances in a time of acute economic depression. It is true that the excise revenue for the calendar year 1932 is a little over six lakhs of rupees below receipts for 1931 but there are indications that purchasing power has recovered slightly and that the financial year will close with accounts satisfactorily balanced on the present estimate of expenditure. Receipts of land revenue have improved over those of last year.

The Legislative Council.

The Honourable Babu Nirsu Narayan Sinha continued to be President and Rai Bahadur Lakshmidhar Mahanti, Deputy President of the Legislative Council.

Two sessions were held during the year, one at Patna in February and March, and the other at Ranchi in August and September. Of the twenty-six meetings, eleven were devoted to a discussion of the budget and the voting of demands and nine to the transaction of non-official business.

At the March session the Patna University (Amendment) Bill and the Bihar and Orissa Municipal (Amendment) Bill were passed. At the August session the Bihar and Orissa Local Self-Government (Amendment) Bill was passed in order to rectify an omission in the Local Self-Government Act.

In the August session an elected member of the Council moved that the Local Self-Government (Amendment) Bill (Bill no. 2 of 1932), which had been introduced in the winter session, should be referred to a select committee. At present a member of a district board, local board or union committee who absents himself from six consecutive meetings is liable to be removed. The Bill sought to empower the board to remove a member who absents himself from four consecutive meetings. The further objects of the Bill were to invest the board, instead of the chairman as at present, with power to grant leave of absence and to allow the board to co-opt on its finance committee any person not a member of the board who may possess special qualifications for serving on the committee. The Government took up a neutral attitude on the question of referring the Bill to a select committee and in the debate the opinion generally expressed was that there was no good case for the amendment and that the changes proposed were not likely to inculcate a greater sense of responsibility among members of district boards than that which already exists. In the voting, which was confined to non-official members, the motion was defeated by forty-eight to nine.

Two hundred and ninety-nine questions and three hundred and seven supplementary questions were asked during the sessions of 1932 as compared with three hundred and sixty and three hundred and forty-four, respectively, during 1931. One hundred and eleven resolutions were tabled, of which only twenty-five were discussed. In its September session the Council passed by five votes a resolution recommending that the additional police, which had been quartered in the disturbed areas of Tarapur and Barbigha in the district of Monghyr, should be withdrawn. The organized attacks made on the police at three villages early in the year had made imperative the despatch of additional police to this neighbourhood for one year. Speakers in the Council asserted that despite the outbreak of violence the inhabitants were peaceful and that the additional force was not required. These views were carefully considered but Government decided that their responsibility for public security prevented them from acting in accordance with the resolution of the Council. This cleavage of opinion disappeared when the financial resources of the future responsible Government of the

province came under discussion : the Government only reaffirmed their own view when they supported the resolution, adopted unanimously by the Council for communication to the Government of India, that unless the province is exempted from making a contribution to the Central Government from the proceeds of the income-tax, provincial autonomy in Bihar and Orissa is bound to fail. Speakers recognized that the proposal of the Federal Finance Committee to redistribute the yield of the income-tax would ensure a barely solvent administration, but they argued that it was unjust to demand a contribution to the central revenues which would leave the province with an estimated surplus of only two lakhs. On the basis of population Bihar has a claim to a much larger share of assistance and to give the province revenue sufficient only to meet irreducible expenses will make it impossible for the new Government to raise a standard of administration which in comparison with other provinces has already been forced to an extremely low level. The debate showed that both the Council and the Government were fully alive to the danger of further impoverishment and the emphatic expression of opinions by Government and non-official speakers was pleasing evidence of a common purpose.

Two other resolutions were unanimously passed by the non-official members of the Council, Government not intervening in the debate or in the ballot. The first urged the Government of India to constitute immediately a separate Orissa province; and the second urged His Majesty's Government to introduce without further delay a full measure of provincial autonomy with responsibility at the centre.

In accordance with a suggestion made by the Committee on Co-operation a resolution was moved from the Government bench and adopted by the Council recommending that the Government should guarantee interest on debenture issued by the Bihar and Orissa Co-operative Bank, Limited, for the purpose of strengthening the long-term resources of the co-operative movement. The total face value of the issue was not to exceed Rs. 20 lakhs. A resolution was moved for keeping in abeyance the operation of the last cess revaluation in the district of Shahabad but it was withdrawn. Government could not have taken action upon it since the Cess Act provides the proper remedy for those who are dissatisfied with the assessment. Actually the incidence in the Shahabad district is much lower than that in the Patna or Gaya district. Another resolution attempted in an indirect manner to champion the interest of sugar-growing agriculturists and asked the Government to take steps to see that the protection given to the sugar industry in India

should benefit the cultivators as well as the mill-owners. The proposal was that a committee should be appointed to ascertain and fix the equitable price which should be paid to cultivators by the mills for their cane. The Government view was that nothing should be done to depress the price of *gur* which takes twice as much of the sugarcane crop of Bihar as the white sugar industry. The fixation of a minimum price for cane delivered to the mills would interfere harmfully with the supply and demand of cane and would be likely to lower the price of *gur* on which most of the cane-growers rely. The resolution was eventually withdrawn. A resolution requesting Government to allow the appointment of non-official chairmen to the four district boards of Ranchi, Hazaribagh, Singhbhum and Palamau was negatived after an interesting discussion in which some of the representatives of the aboriginal population of Chota Nagpur declared for the continuance of the present system by which the Deputy Commissioner of each district acts as chairman of the board.

District boards.

The chief concern of local bodies in 1932 was to adjust their expenditure, on a scale even more drastic than in 1931, to a greatly reduced revenue. During the financial year ending on the 31st March the amount available to district boards for expenditure had decreased by about seven and a quarter lakhs from the previous year's figure. Closing balances fell to twenty-four lakhs which was considerably less than half what they amounted to in 1927-28. Receipts from road cess in 1931-32 had decreased by only Rs. 20,000 but in the current year the low incidence of agricultural prices has increased the difficulties of collection and a bigger drop in the principal source of income of district boards is feared. A further blow to the financial position of the boards was the reduction of Government grants. To balance the provincial budget it was found necessary to cut the grant for education by ten per cent; all grants towards new works were omitted; whilst only Rs. 2,88 lakhs, half the net receipts of the tax on motor vehicles instead of the whole amount as originally intended, could be spared for expenditure by the local bodies on communications. Although depleted funds retarded the pace at which progressive schemes could be carried out they imposed on the boards the healthy duty of discriminating between productive and wasteful expenditure, and the need of such a distinction, especially in the department of primary education, appears to have been overdue. Several district boards have made possible an important advance in public health administration by agreeing to the extension of

compulsory vaccination, and seven boards which employ a special public health staff have agreed to relieve Government of the work of supervising vaccination. This action of the boards deserves praise and reflects a significant change in public opinion. During 1932 outbreaks of cholera were less severe than usual but two district boards successfully used bacteriophage made by the research specialist at Patna. Government improved and extended the pipe water-supply at the Sonepur *mela* in the Saran district, and in Orissa Government officers with the co-operation of the district boards continued the campaign for the eradication of water hyacinth with marked success. District boards generally have carried out with commendable zeal the retrenchments demanded by their reduced income and with a very few exceptions their proceedings have been free from the paralyzing influence of extremist politics. Some boards have still to learn that confidence in their executive officers is essential to successful administration, but the work of most of the boards has won approval.

Municipalities.

Almost all municipal boards came to the end of their term of office of three years during the winter months of 1932 and the new boards are now being constituted. The Government resolution on the financial year 1931-32 was a serious indictment of the conduct of municipal affairs by all except sixteen of the outgoing boards. In their primary function of assessing and collecting the taxes efficiently the municipal boards with these exceptions were a conspicuous failure. Revisional assessments were either ineffective or counterbalanced by heavy arrears and larger remissions. In March 1932 the average outstanding arrears of the main taxes of all municipalities were equivalent to one quarter of the current demand, the figure being very much higher in some of the municipalities. Nor could the economic depression be blamed for this failure since twelve municipalities closed their accounts with outstanding arrears equivalent to less than five per cent of their current demand. Generally those municipalities which failed to collect their taxes were found incompetent in their other administrative work and unable to control their staff. Wholesale supersession, though justified, would not have been practical and the Municipal Amendment Act, which was passed by the Legislative Council in the March session of 1932 and came into force on the 1st June, sought to place in the hands of municipalities themselves the means of their salvation. They were empowered between July and September 1932 to recover all old arrears not barred by limitation through the certificate procedure and they were given permanently the

power to recover current arrears which they had failed to realize by distress and sale, by recourse to the certificate procedure as an alternative to filing civil suits. They were also given the power to apply at any time to the Government to relieve them of their tax-collecting functions. The Government were empowered to do this on their own motion when incompetence and default made such a remedy suitable as an alternative to complete supersession. Complete information is not yet available regarding the use which municipalities have made of the amendments to the Act. Gross maladministration by the Monghyr municipality and an amazing absence of corporate responsibility compelled the Government in July 1932 to supersede it for a period of two years. The supersession of the Patna City municipality, which took place in 1930, was renewed in November 1932 for a further period of two years. The administration of its affairs by an experienced Government officer has brought about a marked improvement in its finances as well as in its services to the public. Financial stringency has forced the Government to stop all grants to finance new municipal schemes of water-supply and drainage but work on various important water-supply reorganization schemes was in progress, including the important scheme for the supply of pipe water to the pilgrim and permanent population at Puri. During 1932 Government were able to distribute a sum of Rs. 86,000 to municipalities for the maintenance of roads as a result of provincial motor vehicles taxation.

Education.

The five years ending in March 1932, which form the subject of an illuminating review by the Director of Public Instruction, brought to a close the rapid expansion which took place in the prosperous years of the previous quinquennium : the total number of pupils fell by 13,671 and expenditure from public funds by Rs. 15 lakhs. The financial stringency of the last two years might conceivably have effected a more severe contraction, but the total expenditure for 1931-32 was only three and a half lakhs of rupees less than that for 1926-27. Following the heavy retrenchments carried out at the close of 1931 the financial position made necessary a number of further economies. With the exception of the special grant for the education of girls in municipal areas, the recurring grants to local bodies for primary education were reduced by ten per cent. The number and value of the stipends in the Patna and Cuttack Training Colleges and in the secondary training schools were reduced; the elementary training schools were reduced from 122 to 78 and the rates of stipends payable cut down. Rent-free quarters are no

longer enjoyed by superintendents and assistant superintendents of the hostels at Government colleges and schools; rewards, stipends and scholarships given on the results of examinations in Sanskrit and Arabic have been suspended; five posts at the arts colleges have been kept vacant partly by requiring professors and lecturers to teach for more periods. The Bill passed at the March session of the Legislative Council to amend the Patna University Act came into force in August. The new Act brings the old Act up to date and gives a larger representation to persons outside the teaching profession on the University Senate and Syndicate and creates a board to co-ordinate the work of the colleges at Patna. During the year Mahanth Darshan Das of Maniari endowed a high school in the Muzaffarpur district with the sum of Rs. 41,000 and Mr. C. Abdul Hakim of Madras made a donation of Rs. 10,000 for the improvement of the Moslem seminary at Cuttack.

Notwithstanding the set-back caused by shortage of funds, the last five years are noteworthy for the complete rehousing of the colleges at Patna and for the much more liberal provision made for the teaching of science. The low percentage of pupils at primary schools permanently attaining literacy, the wastage due to the opening of unnecessary schools and the appointment of untrained teachers, the premature withdrawal of children from school before the completion of the primary course and the retention of children in a lower class for an excessive period were some of the grounds on which the auxiliary committee of the Indian Statutory Commission had condemned the primary system of teaching. These criticisms have directed the energies of the Government and of many local bodies to the work of reconstructing the system and a committee is now investigating methods of reform. Unfortunately, as one inspector of schools observes, what the public wants is the opening of more secondary schools however inefficient they may be, and the village primary school is too often left to " a teacher who is an habitual absentee and pupils who are a happy lot of holiday-makers ". Though the fall in the number of primary schools from 30,247 to 27,571 and a decrease of about fifty-eight thousand in the number of pupils may be superficially discouraging, the period of enforced economy is an opportunity to weed out inefficient units and rejuvenate the others. The experiments in compulsory education in Ranchi town, Banki in the Cuttack district and Jamhor in the Gaya district have been successful when compared with attempts in the Saran district, but they all lean heavily on Government grants and are hampered by irregular attendance. A good sign is shown by the increase in

the number of girls especially aboriginals attending schools, although the schools themselves have decreased in number, and by the readiness of more girls to attend schools and colleges for boys; the rise in the number of Muhammadan scholars is of equal significance. The ever-increasing demand for secondary education will demand a tightening of examination standards and a re-adjustment of curricula to the requirements of a changing industrial economy but these difficult problems are not capable of quick solution. The interesting experiments of teaching history and geography in the four highest classes of high schools through the medium of the vernacular instead of through the medium of English have been continued. Students of Sanskrit have increased in number.

Colleges have been free from political excitement during the last year and discipline in the schools, which was in some danger in 1930 has shown great improvement.

Medical relief.

Seven new dispensaries were opened during the year making a total of 679 hospitals and dispensaries of all classes throughout the province. The new hospital at Chaibasa is nearly ready, but there was no money available to start building the hospital at Sambalpur. The Stephenson Paying Ward, the Lady Stephenson Zenana Hospital and the Gomati Female Infectious Ward at the Monghyr hospital, were opened by His Excellency the Governor in January 1932, and the new building provided by the generosity of Kumar Bisheshwar Singh of Darbhanga to house the Radium Institute at Patna was opened in March. In the same month a new hospital for women at Chakardharpur started work. There are now eight child welfare centres in the province and their success in the large towns is very largely due to the enterprise of the Bihar and Orissa Child Welfare Society. Midwives are maintained at a few only of the more important towns and their services are appreciated not only for the medical relief they offer but also for their high educational value : but the problem of furnishing medical assistance to women in rural areas has scarcely been touched owing to social conservatism and the formidable financial difficulties.

Public funds provide a sum of over thirty and a half lakhs of rupees for medical services, but the financial position of most of the institutions not under State management is unsatisfactory. There is now indoor accommodation in the hospitals for nearly six thousand patients and the number of outpatients treated annually is nearly seven millions. The number of patients at the Itki

Sanatorium has nearly doubled and all the beds are now full. The triennial report of the Inspector-General of Civil Hospitals lays fresh emphasis on the need of raising the standards of work among doctors in charge of local fund dispensaries, but it is probable that higher standards will come by natural means since with the overcrowding of the medical profession district boards will be able to recruit practitioners with higher qualifications than those which are now at their disposal. Rural dispensaries also suffer from the fact that the members of managing committees take little or no interest in the institution. It is clear that future progress in medical relief will be difficult unless the people shed the belief that all improvements must inevitably come from the public funds and unless they are prepared to mobilize their charitable instincts for the steady financial support of the dispensaries. In the development of a new attitude of mind towards the alleviation of pain and suffering the decision at some hospitals and dispensaries in the province to impose a fee of not more than one anna for each prescription from all except the really indigent may have a powerful educative influence, and it will also help to diminish maintenance charges. The fee at the same time, by putting the local doctors on their mettle to maintain their usefulness, should check inefficiency, and by reducing the volume of free medical aid it should improve the prospects of the large number of medical students who qualify every year in the colleges of the province.

The training facilities at the medical college at Patna and at the medical schools in Darbhanga and Cuttack are in great demand and the results are, on the whole, satisfactory. The Pasteur Institute at Patna opened in 1929 as well as the centre at Cuttack are greatly appreciated, and there has been an increase in the number of patients at the Radium Institute. The results at the European and Indian Mental Hospitals continue to be most satisfactory.

In addition to the eight leper asylums and colonies there are thirty-six leper clinics at present working in the province. Lack of funds compelled the Government to abolish the post of Leprosy Expert and the survey party but not before the survey had revealed that leprosy is usually confined to poor and illiterate sections of the population who live in congested villages. The capitation grant allotted by Government to inmates of asylums and colonies has been reduced from Rs. 3-8-0 to Rs. 3. The total sum spent on their maintenance in 1931 amounted to about a lakh and a half of rupees. Most of the clinics receive grants from the

Provincial Leprosy Relief Association and six clinics are aided by the local Government. The Bettiah Estate has sanctioned an annual grant of Rs. 10,000 for leprosy work in the Champaran district and the branch of relief work is receiving increased attention in some of the Orissa States.

Public health.

During 1932 there was a reduction in the number of deaths from all causes except small-pox. The total number of cases of small-pox amounted to 15,517 as compared with 8,028 in 1931. Primary vaccination is now compulsory in eight districts of the province as well as in all municipalities. This measure will do much to restrict the scope of another severe outbreak which may now be approaching, but re-vaccination is still a necessary precaution. Cholera was only mildly active in 1932 and the death-rate from this cause (9,230) was five times less than that of 1931. The Orissa districts suffered more than the others, especially Balasore, but the *Rath Jatra* festival at Puri passed off satisfactorily and no epidemic followed. The value of bacteriophage as a preventive cannot be fully demonstrated until a severe epidemic occurs, but the continued experiments in the Muzaffarpur and Purnea districts are encouraging. In Muzaffarpur in 1930 the mortality among treated cases was only 8.6 per cent and in 1932, 6.1 per cent, while among untreated cases the number of deaths was as high as 76.5 per cent and 79 per cent in these two years, respectively. Bacteriophage had the effect of cutting down the duration of the outbreaks. There was an encouraging reduction in the number of deaths due to fevers possibly on account of the weak monsoon, but a total mortality of 561,818 or 14.9 per thousand is a very high figure.

The birth-rate for 1932 was 33.6 as compared with 33.9 in 1931 and death-rate was 20.5 as compared with 26.6 in 1931. The death-rate for 1932 is a record for the province. In 1931 one and a quarter million children were born and there were a million deaths. During the same year there was an increase of the total infant mortality from 137 per thousand to 143 on the basis of the actual births recorded. The last five years have seen a gradual increase in this rate, and it is regrettable that the majority of municipalities have not made any response to the appeal of Government urging them to employ a midwife.

Water-supply and drainage.

Owing to the fall in public revenue, expenditure on Government water and drainage works decreased in 1931-32 from Rs. 3,78 lakhs to Rs. 1,63 lakhs and on deposit works carried out on behalf of local bodies from Rs. 3,08 lakhs to Rs. 1,82 lakhs. There was an

inevitable fall in the demand for preliminary schemes and the value of such schemes prepared decreased from Rs. 13,39 to Rs. 2,48. Still the fees earned by the Public Health Engineering Department for works done on behalf of local bodies increased to Rs. 91,000 as compared with Rs. 44,000 in the previous year. Expenditure on the establishment has been cut down to yield a saving of Rs. 78,000 during the current financial year.

In 1932 the department had in hand drainage and water-supply schemes for local authorities to the value of more than twenty-four lakhs and these are likely to take three years to complete. It is responsible for the general supervision of eight municipal water-supply works, the maintenance charges of which amount to about five and a quarter lakhs of rupees. The department itself maintains the largest of these works, namely the Patna-Bankipore Joint Water-Supply, as the agent of the joint committee. Since 1924 the daily supply of water in the provincial capital has trebled and last year the concern showed a clear profit. In all, the department has to maintain 484 works, of which 41 are pumping stations.

During the year 1932 the water-supply provided for the Itki Sanatorium was extended; the reorganization of the water-supplies at Daltonganj, Muzaffarpur, Bhagalpur and Gaya are in progress; tube-wells at Kishanganj, Sitamarhi and Balasore have been completed and others are being planned. The water-supply at Sonepur has been extended and work has started on the extension of the Patna water-supply. Drainage improvements in Patna and an extension of the drainage scheme at Jharia are being carried out. Good progress has been made with the important water-supply system at Puri. Six nine-inch diameter tube-wells have been completed and a permanent pumping plant installed, and during the hot weather of 1932 a full power test of these wells was successfully carried out. The average daily quantity of water drawn from the wells was about 900,000 gallons which is 250,000 gallons more than the daily supply for which the scheme was designed. The rest of the scheme, namely the provision of reservoirs and a distribution system, is under construction and should be complete, if funds are available, by 1935. For a place of pilgrimage like Puri the work is of immense value.

Jails.

During the first half of 1932 the revival of civil disobedience caused an increase in the jail population and the camp jail at Patna, which had been closed, was re-opened to prevent congestion in the ordinary jails and its

equipment was improved. The temporary sub-jail at Gulzarbagh was again brought into use. During the second half of the year there was a noticeable rise in the number of prisoners convicted of ordinary crime which led to overcrowding. In the earlier part of the year the Government released a number of prisoners, not convicted of serious offences, who had served the greater part of their sentences in order to relieve the overcrowding of jails.

Excise.

Economic causes are chiefly responsible for a fall in the excise revenue from one crore ninety lakhs for the calendar year 1929 to one crore nineteen lakhs for the calendar year 1932. Congress propaganda with its direct encouragement of illicit distillation was a powerful auxiliary factor but during 1932 the picketing of excise shops, though still in evidence now and then, had become irregular and had lost much of its force. Congress agents did their best to stop *Pasis* from taking settlement of liquor shops and cyclostyled pamphlets were widely distributed for this purpose and to dissuade owners of palm trees from leasing tree to the *Pasis*. In some parts owners were induced to tap their trees and consume *tari* without paying the Government tax. During the rainy season of the year under review the purchasing power of the cultivator showed a slight tendency to improve and the excise receipts for the month of October were five per cent higher than those of the same month in 1931; but the total revenue of the calendar year 1932 was over six lakhs below the revenue of 1931. Low prices of the goods which the agriculturist sells required a lowering of the retail rates of country liquor and during 1932 prices were scaled down in most districts of the province. The general shortage of money had rendered the sliding scale system of settlement unprofitable as a source of revenue and owing to heavy losses liquor vendors showed increasing reluctance to accept leases on terms which were suitable only to the years of high prices. The Government decided to restore the old system of settlement by auction in the country spirit and drug shops and this was brought into effect in the Patna, Purnea and Ranchi districts on the 1st July 1932 and was extended to the remaining districts of the province with the exception of distillery shops in Manbhum, Singhbhum, Sambalpur and Angul on the 1st October.

During the year the tree-tax system was extended to the Darbhanga district and portions of the Muzaffarpur, Monghyr, Bhagalpur, Shahabad, Saran and Champaran districts. During 1932, 2,797 cases of illicit distillation were detected as compared with 3,611 in 1931.

Survey and settlement operations.

The operations in progress in 1931 were continued in 1932, namely the revision settlements in Orissa, the Santal Parganas, Ranchi, and in the Porahat Estate in the district of Singhbhum. The settlement in Orissa was completed in September 1932. The survey of Patna City municipality was commenced in July and in May was started the assessment to revenue of the public domain in the district of Shahabad. During the survey year ending in September 1931, an area of 1,779 square miles was cadastrally surveyed, the records of 2,395 square miles were attested and those of 1,784 square miles were finally published. The rents of 64,484 tenants were settled.

From the settlement of the temporarily-settled estates, which form the greater part of the three coastal districts of Orissa, an increase in the revenue of about thirty-three per cent is expected. As a rule rents have been raised by four annas in the rupee which has met with exceedingly little objection. In Ranchi the draft record was written for 1,280,648 plots. An unusually large number of breaches of the Chota Nagpur Tenancy Act were noticed during the year such as the exaction of excessive *salami* or failure to grant rent receipts, but there are grounds for hoping that landlords will remove these irregularities in future. The settlement in Ranchi has also shown the ineffectiveness of the present law regulating the transfer of land by aboriginals. Tenants have paid their share of the full costs of the settlement with few exceptions, but the landlords who have experienced some difficulty in collecting their rents have been allowed to pay in instalments. It is of interest that in the blocks for which statistics have been compiled the recorded total of the net area annually cultivated in the Ranchi district is thirty-six per cent greater than the area recorded in the settlement carried out thirty years ago, and that in the period between the two settlements the population has increased by about twenty-seven per cent. Much opposition was shown to the attempt to preserve the forests of district from harmful exploitation. In the Santal Parganas, attestation and case work is coming to a close.

Forests.

With a revenue amounting to Rs. 6,28,013 the Forest Department during 1931-32 worked at a net loss of Rs. 1,35,244, but if allowance were made for produce granted free and free-grazing of cattle the accounts would show a surplus of Rs. 1,45,000. The deficit is explained by the heavy drop in the price of timber, although the

total outturn removed by purchasers was 423,000 cubic feet more than in the previous year, the Palamau division being responsible for most of the increased output. Falling prices in 1930 had made clear the need of retrenchment: in 1931-32 expenditure was reduced by about Rs. 1,22 lakhs to Rs. 7,63 lakhs and a plan of reorganizing the department on a more modest scale was drawn up in the first half of 1932. Establishment charges absorb over five lakhs of rupees and it is now admitted that the staff is in excess of provincial requirements.

Of good augury for the future well-being of the province is the gradual awakening of public opinion to the importance of preserving the few private forests which remain in Chota Nagpur. These are remnants of a great forest which formerly must have covered almost the whole of the plateau. For many years the Government tried without success to persuade the private owners to protect or reserve their forests, and in the meantime injurious exploitation has developed into an insensate race between the owner and the tenant to obtain as much advantage as possible out of the forest produce: the landlords have lost their forests or have sold them at a price much below their value while the tenants have improvidently destroyed the supply of wood on which they might have drawn in future years. The forests in the Ranchi district are all on hilly ground unfit for cultivation, and once they are cut down heavy rainfall sweeps the earth away and leaves masses of bare rock and ravines, familiar to anyone who has visited Chota Nagpur, on which nothing can be grown. Deforestation has been followed by even more widespread consequences; its incidence is not merely local. The forests now under the control of the Forest Department, that is to say, forests which are scientifically preserved, cover only 2.7 per cent of the total area of the province, a percentage which is far below the proportion considered necessary for the balanced development of a country's soil. Forests are necessary to increase the humidity of the air, reduce evaporation and maintain more continuous precipitation of the moisture; they generally ensure an equable climate; but most important of all, they are invaluable in preventing erosion and in tempering the violence of mountain streams which during the monsoon cause destructive floods in the plains below. The damage caused by floods and the silting up of the rivers in the Ganges and Orissa deltas, owing to the accelerated erosion in the deforested areas of Chota Nagpur, has become a dangerous menace. The propaganda of the Bihar and Orissa Forest Association, which was founded two years ago as an unofficial body, shows that the public are aware of the danger and

it has made easier the task of the Government to win over vested interests to a scientific plan for the conservation of the existing forests. At the August session of the Legislative Council the Hon'ble Member of Government in charge of Forests obtained the Council's consent to a proposal by which the Forest Department will take over all the best forests in the Ranchi district, where the owners are willing to lease, for a period of thirty-five or forty years. Government will pay the owners an annual rent of one to two annas an acre and will be responsible for the costs of management. Government and owners will share the profits equally, and in this way the owners will be certain of an income without incurring any expenditure, with a sure prospect of receiving back a valuable property in forty years' time. In the early years the scheme will cost Government more than Rs. 40,000, but with the improvement of the forests the share in the profits will be some compensation: the real profit to Government and people lies in the preservation of the forests. The interests of the tenants will be secured by a forest settlement before the forests are taken over, and a large number of owners have agreed to the scheme which is already in operation.

Irrigation.

Rivers in Bihar were very low during the hot weather and in Shahabad the demand for water could not be satisfied in full throughout the season. On the eastern bank of the river Son similar difficulty was experienced and water was distributed by strict rotation of supplies. Though the rainfall during the monsoon was less than the average supplies were generally adequate to meet the demands and crops in the leased areas have done well. In Orissa, though the monsoon was late, the rainfall was well distributed and the crops are good. The floods in the rivers Mahanadi, Brahmini and Baitarani were less frequent and less intense and practically no damage was caused.

In accordance with the recommendations of the committee of the Legislative Council which gave advice on retrenchments, the temporary project division of the Son Circle has been abolished and the Balasore division of the Orissa Circle has been amalgamated with the Puri division. It is probable that the Irrigation branch will shortly be re-amalgamated with the Roads and Buildings branch of the Public Works Department in pursuance of the general policy of retrenchment.

Roads.

At the end of October 1932 an important new road connecting Rajouli in Gaya district with Kodarma in the Hazaribagh district and traversing some picturesque hill country was opened to the public. The road

between Bakhtiarpur and Bihar in the Patna district has been improved and now the provincial capital has a first class means of communication with the mica and coal-mining districts and is joined up with the grand trunk road to Calcutta. The new road provides a direct highway for motoring from Patna to Ranchi.

Agriculture.

Rainfall during the hot weather and monsoon of 1932 was generally deficient except in Orissa and in Bihar the fall was sixty per cent of the normal. The winter rice crop was poor especially in Tirhut though the good showers in November were to some extent beneficial. The outturn of winter rice is estimated to be seventy-seven per cent of the past ten years' average, while that of *bhadai* crops is estimated at eighty-five per cent. The outturn of the sugarcane crop is estimated at ninety-one per cent of the past ten years' average. Crops in Chota Nagpur and Orissa were fair to good.

Research on sugarcane and rice, which was made possible by the grants of the Imperial Council of Agricultural Research, is in progress and experiments are being made with sugarcane power crushers which are likely to suit conditions in this province. An enquiry is to be made into the cost of the production of sugarcane and the crops grown in rotation with it, and the possibilities of fruit culture in Bihar and the United Provinces are to be investigated by a research specialist. Departmental farms continued to carry out experiments with results which will be of value to the cultivator.

The white sugar industry of north Bihar has prospered with the introduction of a protective tariff, and during 1932 factories increased by seven to a total of nineteen with an estimated output of 80,000 tons of sugar during the year. The importance of this industry to the cultivator is demonstrated by the fact that these factories consume nearly a million tons of cane, which is produced on about eighty thousand acres. In 1931-32 the cultivators realized as much as Rs. 80 lakhs in cash from the sugarcane crop. More factories are expected to come into existence and it is hoped that some of them will be situated in south Bihar where the sugarcane crop is superior both in yield and quality to that of north Bihar and covers an equal area. A company has been formed to open a factory at Bihta in the Patna district, but the only factory working in south Bihar at present is at Buxar.

Lack of funds has postponed the acquisition of land for the central range farm at Muzaffarpur, and it is intended now that the small farm should be as far as possible self-supporting.

The most important function of the Department of Agriculture is to popularize the results of its research work among cultivators, and to do this successfully demonstrations must be carried out on the raiyat's own land. A limited staff cannot cover the whole field, but during 1931-32 nearly nine thousand demonstrations were given in the villages and were valuable in encouraging the use of fertilizers and better and more economical methods of cultivation and also in advertizing superior varieties of sugarcane, maize, paddy and wheat. Pure seeds were distributed on a large scale and the department made full use of the agency of central co-operative banks in disseminating scientific knowledge. Improved varieties of cane are now grown almost everywhere in the province and the simple and cheap implements designed by the department are becoming more popular. Nine agricultural shows were held during the year and twenty-nine leaflets addressed to the cultivator were issued.

The Veterinary Department.

5,108 outbreaks of various contagious diseases were reported during 1932, of which 4,477 were attended by the veterinary staff. 84,011 animals were affected and there were 19,807 deaths, the percentage of deaths being 23 as compared with 13 in the previous year. The number of inoculations rose by over sixty thousand to 165,699. Serum is an expensive article and has to be economically employed in the present financial situation.

Field veterinary dispensaries were opened for the first time to deal with cattle in the rural areas and their work has been appreciated. During the year the 144 field dispensaries treated 39,777 patients. At other hospitals and dispensaries 315,898 patients were treated, representing an increase of nearly fifty thousand on the previous year's figure. Of these patients 2,651 were treated at the Veterinary College hospital, Patna. Castrations performed by the veterinary staff throughout the province increased by over twenty thousand to 90,092.

The average daily milk yield of the dairy herd at Phulwari showed an appreciable increase during the year and the breeding operations continued to be satisfactory, but the public are still reluctant to purchase bulls which have matured on the farm. Eight graduates passed out of the Veterinary College and the results of the examinations were considered satisfactory. The fifty-two students now include seven post-graduates for whom a special course has been prepared. Interesting research into *Kumri* and other diseases has been carried out at the college. The special officer recently appointed to investigate diseases among cattle throughout the province has made important tests on the herd at the Sepaya farm.

Co-operative societies.

The provincial committee appointed to examine ways of improving the co-operative organization commenced its enquiries in November 1931 and its valuable report was published in April 1932. On the financial side, the committee consider that it is essential to separate credit granted for a long term from credit granted for a short or medium term; and further that the existing organization should be freed from the burden of providing long-term credit: that burden should be taken over as soon as possible by a separate organization of land mortgage banks. Pending the establishment of land mortgage banks the committee recommend that the Provincial Bank should strengthen the resources of the movement by issuing debentures: in August the Government obtained the sanction of the Legislative Council to the issue of the debentures the interest on which will be guaranteed by the public revenues. To guard against the increasing amount of bad debt, the committee urged that the financing banks should set aside a higher proportion of profits as a reserve before the distribution of dividends. A more effective co-ordination of the policy of the provincial and central banks is needed: at present, while representatives of the central banks can influence the policy of the Provincial Bank, the Provincial Bank has very little control over the policy of central banks. In recent years the absence of control from above has permitted central banks to amass deposits at unprofitably high rates and to use the funds obtained in this manner for the reckless financing of primary societies. It is therefore most important that central banks should pay their depositors' interest at the rate adopted by the Provincial Bank. The primary credit society should not undertake anything more ambitious than the provision of short-term credit to the agriculturist for raising the crop and for replacing live and dead stock. Unfortunately the co-operative movement in its early stages aimed at the liquidation of the whole of the prior debts of the members and it also lent money freely to members who wanted to acquire more land. Most of the deposits collected by central banks are for a short term: it is manifestly unsound to employ short-term resources to finance long-term loans, and loans for repaying old debts or for buying land are essentially long-term loans. It is estimated that at least sixty per cent of the total amount of co-operative loans outstanding are really long-term loans. In granting these loans the primary credit societies have relied wholly on the capital assets of members without paying any attention to the capacity of the borrowers to repay out of their income. The committee emphasize the importance of making income rather than capital assets the basis of estimating capacity to repay and they make detailed recommendations for a more effective control

over the borrowing policy of credit societies. The bad trade of the last two years has increased the difficulties of all debtors but, apart from this, there has been a growing tendency of borrowers to fail to meet or actively to evade their liability to repay loans, and the machinery for the recovery of dues requires strengthening.

The report of the committee states that the principal defect of the co-operative movement is the failure to make the primary societies anything more than an inefficient link in a credit organization: under the tutelage of the central banks they are mainly concerned with the distribution and collection of loans, while the work of development is ignored. The committee recommend the formation of a development staff distinct from the banking staff, and point to the need of giving instructors and honorary workers a more thorough training than is now provided. They also suggest ways of giving the Provincial Federation a more effective control over the movement and they advocate the employment of a larger number of experienced officers to inspect and advise the societies and central banks. There is a great demand for credit societies among the rural population, but a more important task awaits co-operation in the non-credit sphere, and so far little has been achieved. The report makes definite recommendations for the new legislation necessary to ensure the better financial control and the more healthy organization of the movement, and they are now being examined by Government. Some of the remedies urged by the committee had been previously advocated but their report marks a distinct stage in the history of co-operation in Bihar by placing all the facts in the correct perspective and by focussing public attention on the important features of the movement.

Between 1915 and 1925, a period of marked increase in the borrowing capacity of the cultivators and in the lending resources of the professional classes, there was a rapid and unhealthy multiplication of co-operative societies; the principles of true progress were not understood: a system which often provided more money than was legitimately needed by the members of the societies, and still more frequently more than they could repay in the few instalments fixed, had in it the seeds of future trouble. Deposits were plentiful, but collections fell off and overdues mounted rapidly. Mismanagement and wasteful expenditure on speculative enterprises called for a halt to the policy of expansion and since 1927 energies have been confined to the work of consolidating and improving existing societies. During 1932 only 81 new societies were registered against 228 in 1931, while 330 societies

which had outlived their usefulness were dissolved. The new societies include a village uplift society in Rajmahal, a health society in Puri, a thrift society in Palamau and a co-operative grain *gola* in Godda. At Bhagalpur an irrigation society has finished digging a channel nearly nine miles long. A whole village society at Sambalpur and a better farming society at Bargarh have been organized and in Cuttack six village welfare societies have come into being. Grain *golas* which are more suitable than ordinary cash credit societies are popular among the co-operators of the Santal Parganas. The Gaya central bank was liquidated in December 1932. Its reckless policy of advancing loans had been the object of criticism as far back as 1925; its recoveries lagged far behind advances until by 1926 the outstanding balance had risen to over eight and a half lakhs of rupees. Subsequent efforts to restore the financial position failed and the collapse of prices made liquidation inevitable.

The trade depression has increased the difficulties of central banks in collecting loans while the attractive terms on which the Government of India have issued loans to the public has checked the flow of new deposits to the co-operative banks. Central banks continue to be cautious in advancing fresh loans and considerably more attention is being given to rural reconstruction. Good work has been accomplished in the training of honorary workers in the village societies and co-operative institutions have played a useful part in introducing improved methods of cultivation.

The Congress of the Bihar and Orissa Co-operative Federation was held at Patna in February 1932 under the presidency of the late Sir Saiyid Ali Imam, K.C.S.I., whose sudden death has been a great loss to the co-operative movement.

Industries.

The trade slump continued to injure the interests of the important coal, iron, steel, mica and lac industries of this province. An improved demand for iron is expected to follow the acceptance by the Legislative Assembly of the agreement reached at the Ottawa Imperial Conference. The white sugar industry of north Bihar is expanding rapidly, and, by absorbing the larger sugarcane crop of 1932, has saved the cultivators of Tirhut from the distress which was at one time threatened by the bad rice crop as well as by the low prices of grains.

Fish exported from the province fell from 119,729 maunds in 1931 to 88,659 maunds in 1932, and the smaller export is

attributed to the appearance of unusually large shoals of *hilsa* in the rivers of Bengal. The quantity of carp fry distributed was a little higher than that of 1931. The breeding centre at Ghatsila had to be abolished.

Government had to effect other drastic retrenchments which have reduced the expenditure by one-third of the figure for 1929-30. No grants were made under the State Aid to Industries Act.

The department participated in the British Industries Fair held at London in February 1932 and also in the Leipzig International Fair in March 1932. The sale in European countries of art textiles made in Bihar continues to be satisfactory.

Technical education.

The number of institutions for industrial and technical education has decreased from 27 to 23. Expenditure on stipends was reduced and State technical scholarships for study abroad were held in abeyance. The Tata Iron and Steel Company, Limited, have decided to give up the reservation of places in their Technical Institute at Jamshedpur for students of this province. Nineteen students graduated as Bachelors of Civil Engineering at the Patna University, two in the first division and the remainder in the second division. Forty students were successful in the combined Civil Engineering Subordinate examination.

Factories.

Registered factories in the province number 330 compared with 318 in 1931 and 215 in 1922. Of the 65,000 factory employees, about 40,000 are employed in metal manufacture and engineering and over 5,000 in the sugar mills. Rice mills, tobacco and other factories account for the remainder. The total number of factory accidents which occurred up to the middle of November 1932, is 1,564 compared with 2,007 for the year 1931. It is noteworthy that during the last quarter of 1931 and the first quarter of 1932 the steel industry was free from fatal accidents. The inspecting staff was cut down by one inspector and factory inspections decreased from 490 in 1931 to 366 in 1932. The managers and occupiers of 11 factories were prosecuted in the criminal courts and a conviction was recorded in each case. It is interesting to note the reduction in the number of women and children employed in the factories; and also the absence, so far, of any tendency to transfer the burden of the trade depression to the workman by reducing his rate of wage at a greater extent than is justified by the fall in prices.

Mines.

During 1932 there was a poor demand for all minerals and prices fell to very low levels. Many mines had to be closed and some of those which continued to operate were worked at a loss. The only development worthy of note took place in the coalfield situated in the Talcher State of Orissa. Its proximity to the Madras Presidency makes it important as a potential source of supply for southern India.

The number of coal mines worked was 295 of which 37 were closed during the year: the output of coal fell from 13.5 million tons in 1931 to approximately 12 million tons. There were plentiful supplies of labour and a slight reduction in the rate of wages took place. The ten per cent cut in wages at the Jamadoba colliery, where rates were higher than those of the neighbouring mines, was followed by a strike, but the workers later agreed to the reduction.

The number of metalliferous mines worked during the year was 404, namely mica 293; stone 60; minestone 10; manganese 9; slate 8; chromite 6; clay 4; fire-clay 3; sandstone 3; copper 2; iron-ore 2; steatite 2; gold 1; and keyanite 1. In the mica industry the number of mines worked was 63 less than that of the previous year.

There were 338 accidents in the mines during the year of which 95 were fatal. 126 persons were killed and 278 injured, as compared with 114 killed and 308 injured in 1931. In the Jharia coalfield there is a danger of subsidence in a large part of the undermined area.

Labour welfare.

During the hot weather and rains of 1932 the index figures published by Government showed a seasonal rise in the cost of living which in north Bihar was pronounced owing to the threatened scarcity. Cuttack continued to be the cheapest place in the province, while Jharia displaced Jamshedpur as the dearest. The general health of the mining population in Jharia and of the industrial population in Jamshedpur was good and credit is due for the good water-supply, for the high standard of sanitation and for the measures taken to combat epidemics in both areas.

APPENDIX II.

A.—MEMBERS OF THE BIHAR AND ORISSA EXECUTIVE COUNCIL.

His Excellency Sir Hugh Lansdown Stephenson, K.C.S.I., K.C.I.E., I.C.S.

The Hon'ble Raja Rajendra Narayan Bhanja Deo of Kanika, O.B.E.

The Hon'ble Mr. John Tarlton Whitty, C.S.I., C.I.E., I.C.S.

B.—MINISTERS.

Ministry of Education, The Hon'ble Sir Saiyid Muhammad Fakhr-ud-din, Khan Bahadur, Kt.

Ministry of Local Self-Government, The Hon'ble Sir Ganesh Datta Singh, Kt.

C.—MEMBERS OF THE BIHAR AND ORISSA LEGISLATIVE COUNCIL.

The Hon'ble Babu Nirsu Narayan Sinha, M.A., B.L.—President.

Rai Bahadur Lakshmidhar Mahanti—Deputy President.

Mr. Saiyid Anwar Yusuf, Bar.-at-Law—Secretary.

Babu Raghunath Prashad, M.A., B.L.—Assistant Secretary.

EX-OFFICIO MEMBERS (2).

The Hon'ble Raja Rajendra Narayan Bhanja Deo of Kanika.

The Hon'ble Mr. John Tarlton Whitty, C.S.I., C.I.E., I.C.S.

NOMINATED OFFICIALS (14).*

1. Mr. Ernest Leslie Glass.
2. Mr. Bhalchandra Krishna Gokhale, I.C.S.
3. Mr. William Bailie Brett, I.C.S.
4. Mr. Reginald John Hirst, O.B.E.
5. Mr. Henry Carlos Prior, I.C.S.
6. Mr. Henry Abraham Gubbay, C.I.E.
7. Mr. Godfrey Elwin Owen, I.C.S.
8. Mr. Arthur Cecil Davies, I.C.S.
9. Mr. Geoffrey Steele Henderson.
10. Mr. Henry Lambert.
11. Mr. Prankrishna Parija (temporary).
12. Dr. Sir Sultan Ahmad, Kt. (temporary).
13. Col. Lewis Cook, O.I.E.
14. Mr. Philip Cubit Tallents, O.I.E., I.C.S.

* Includes two special members.

NOMINATED NON-OFFICIALS (4).

1. Khan Bahadur Shah Muhammad Yahya.
2. Rai Bahadur Kedar Nath.
3. Babu Swayambar Das.
4. Babu Bimla Charan Singh.

NOMINATED REPRESENTATIVES OF CLASSES AND COMMUNITIES (9).

1. Mr. Sagram Hembrome ... ...
2. Garbett Captain Manki ... ... } (Aborigines).
3. Reverend Brajananda Das ...
4. Babu Ram Narayan ... ... } (Depressed Classes).
5. Rai Bahadur Ram Ranvijaya Singh ... (Industrial interests other than Planting and Mining).
6. Babu Jogendra Chandra Mukharji ... (The Domiciled Bengali Community).
7. Mr. Alfred Eustace D'Silva ... (The Anglo-Indian Community).
8. Mr. Rowland Chandra ... ... (Indian Christian Community).
9. Rai Sahib Harendra Nath Banerji ... (The labouring classes).

ELECTED MEMBERS (76).

Patna Division (16).

Name	Constituencies.
1. Mr. Saiyid Abdul Aziz	Patna Division Muhammadan Urban.
2. Khan Bahadur Saiyid Muhammad Hussain.	East Patna Muhammadan Rural.
3. The Hon'ble Sir Saiyid Muhammad Fakhr-ud-din, Kt., Khan Bahadur.	West Patna Muhammadan Rural.
4. Babu Rajeshvari Prashad ...	Patna Division Non-Muhammadan Urban.
5. Babu Shyam Narayan Singh Sharma	Patna Non-Muhammadan Urban.
6. Sir Ganesh Dutta Singh ...	East Patna Non-Muhammadan Rural.
7. Babu Rajandhari Sinha	West Patna Non-Muhammadan Rural.
8. Raja Bahadur Harihar Prashad Narayan Singh, O.B.E.	Landholders' Patna Division.
9. Maulavi Khalilur Rahman ...	Gaya Muhammadan Rural.
10. Babu Ramanugrah Narayan Singh ...	West Gaya Non-Muhammadan Rural.
11. Babu Bhagawati Sharan Singh ...	Central Gaya Non-Muhammadan Rural.
12. Babu Rameshvar Prashad Singh ...	East Gaya Non-Muhammadan Rural.
13. Mr. Saiyid Muhammad Athar Hussain.	Shahabad Muhammadan Rural.
14. Mr. Sachchidananda Sinha ...	Central Shahabad Non-Muhammadan Rural.

Name	Constituencies.
15. Babu Radha Prashad Sinha	... South Shahabad Non-Muhammadan Rural.
16. Babu Radha Mohan Sinha	... Arrah Non-Muhammadan Rural.
Tirhut Division (19).	
17. Maulavi Muhammad Abdul Ghani	... Tirhut Division Muhammadan Urban.
18. Maulavi Muhammad Hassan Jan	... Muzaffarpur Muhammadan Rural.
19. Maulavi Shaikh Muhammad Shafi	... Darbhanga Muhammadan Rural.
20. Khan Bahadur Saghir-ul Haqq	... Saran Muhammadan Rural.
21. Maulavi Abdul Wadood ...	... Champaran Muhammadan Rural.
22. Rai Bahadur Dwarka Nath	... Tirhut Division Non-Muhammadan Urban.
23. Babu Harekrishna Chaudhuri	... North-West Darbhanga Non-Muhammadan Rural.
24. Mahanth Manmohan Das	... North-East Darbhanga Non-Muhammadan Rural.
25. Babu Sardananda Kumar	... South-East Darbhanga Non-Muhammadan Rural.
26. Babu Ramasray Prashad Chaudhuri	... Samastipur Non-Muhammadan Rural.
27. Babu Rameshvar Pratap Sahi	... North Muzaffarpur Non-Muhammadan Rural.
28. Babu Sri Narayan Mahtha	... East Muzaffarpur Non-Muhammadan Rural.
29. Babu Badri Narayan Singh	... West Muzaffarpur Non-Muhammadan Rural.
30. Babu Shyam Nandan Sahay	... Hajipur Non-Muhammadan Rural.
31. Babu Srinandan Prashad Narayan Singh Sharma.	North Saran Non-Muhammadan Rural.
32. Babu Nirsu Narayan Sinha	... South Saran Non-Muhammadan Rural.
33. Rai Bahadur Krishnadeva Narayan Mahtha.	North Champaran Non-Muhammadan Rural.
34. Babu Lalita Prashad Chaudhuri	... South Champaran Non-Muhammadan Rural.
35. Babu Chandreshvar Prashad Narayan Sinha.	Landholders', Tirhut Division.
Bhagalpur Division (17).	
36. Khan Bahadur Abdul Wahhab Khan	... Bhagalpur Division Muhammadan Urban.
37. Chaudhuri Muhammad Nazirul Hasan.	Bhagalpur Muhammadan Rural.
38. Maulavi Saiyid Muhammad Mehdi	... Monghyr Muhammadan Rural.
39. Maulavi Haji Muhammad Bux Chaudhuri.	Purnea Muhammadan Rural.

Name	Constituencies.
40. Mr. Saiyid Moinuddin Mirza ...	Kishanganj Muhammadan Rural.
41. Maulavi Abdul Aziz ...	Santal Parganas Muhammadan Rural.
42. Babu Jogendra Mohan Sinha ...	Bhagalpur Division Non-Muhammadan Urban.
43. Rai Bahadur Haldhar Prashad Singh	North Bhagalpur Non-Muhammadan Rural.
44. Babu Rudra Pratap Singh ...	Central Bhagalpur Non-Muhammadan Rural.
45. Mr. K. Lal	South Bhagalpur Non-Muhammadan Rural.
46. Babu Sri Krishna Prashad ...	South-West Monghyr Non-Muhammadan Rural.
47. Babu Bishundeo Narayan Singh ...	North-West Monghyr Non-Muhammadan Rural.
48. Rai Bahadur Lakshmi Prashad Sinha	East Monghyr Non-Muhammadan Rural.
49. Raja Prithwi Chand Lal Chaudhuri ...	Purnea Non-Muhammadan Rural.
50. Babu Shib Chandra Singh ...	Santal Parganas North Non-Muhammadan Rural.
51. Babu Ramjiwan Himatsingha ...	Santal Parganas South Non-Muhammadan Rural.
52. Rai Bahadur Dalip Narayan Singh ...	Landholders', Bhagalpur Division.
Orissa Division (10).	
53. Maulavi Shaikh Abdul Jalil ...	Orissa Division Muhammadan Rural.
54. Babu Harihar Das	Orissa Division Non-Muhammadan Urban.
55. Rai Bahadur Lakshmidhar Mahanti ...	North Cuttack Non-Muhammadan Rural.
56. Babu Nikunja Kishore Das ...	South Cuttack Non-Muhammadan Rural.
57. Babu Radharanjan Das ...	North Balasore Non-Muhammadan Rural.
58. Babu Jagannath Das	South Balasore Non-Muhammadan Rural.
59. Babu Godavaris Misra	North Puri Non-Muhammadan Rural.
60. Rai Bahadur Loknath Misra ...	South Puri Non-Muhammadan Rural.
61. Babu Braja Mohan Panda ...	Sambalpur Non-Muhammadan Rural.
62. Babu Birabar Narayan Chandra Dhir Narendra.	Landholders', Orissa Division.
Chota Nagpur Division (9).	
69. Maulavi Habibur Rahman ...	Chota Nagpur Division Muhammadan Rural.

Name	Constituencies.
64. Mr. Nanda Kumar Ghosh	Chota Nagpur Division Non-Muhammadan Urban.
65. Rai Bahadur Sarat Chandra Ray ...	Ranchi Non-Muhammadan Rural.
66. Babu Kalyan Singh	Hazaribagh Non-Muhammadan Rural.
67. Bhaiya Rudra Pratap Deo ...	Palamau Non-Muhammadan Rural.
68. Rai Bahadur Satish Chandra Singh ...	South Manbhum Non-Muhammadan Rural.
69. Babu Devendra Nath Samanta ...	Singhbhum Non-Muhammadan Rural.
70. Babu Kunja Bihari Chandra ...	North Manbhum Non-Muhammadan Rural.
71. Babu Maheshvari Prashad Narayan Deo.	Landholders', Chota Nagpur Division.

Others (5).

72. Maulavi Saiyid Muhammad Hafeez ...	Patna University.
73. Lt.-Col. Cecil George Lees ...	European Constituency.
74. Mr. W. H. Meyrick	Planting Constituency.
75. Mr. James Arthur McKerrow ...	Indian Mining Association.
76. Babu Manindra Nath Mukharji ...	Indian Mining Federation.

D.—MEMBERS OF THE COUNCIL OF STATE FROM BIHAR AND ORISSA.

NOMINATED OFFICIAL (1).

The Hon'ble Mr. P. W. Murphy, I.C.S.

ELECTED (3).

The Hon'ble Rai Bahadur Radha Krishna Jalan.	Bihar and Orissa (Non-Muhammadan).
The Hon'ble Raja Raghunandan Prashad Singh.	
The Hon'ble Mr. Abu Abdullah Saiyid Hussain Imam.	Bihar and Orissa (Muhammadan).

E.—MEMBERS OF THE LEGISLATIVE ASSEMBLY FROM BIHAR AND ORISSA.

NOMINATED OFFICIAL (1).

Babu Ram Prashad Narayan Sahi.

ELECTED (12).

Saiyid Shah Muhammad Maswood Ahmad	Patna and Chota Nagpur *Cum* Orissa (Muhammadan).
Mr. Bhupat Singh	Bihar and Orissa (Landholders).

Name	Constituencies.
Maulavi Badi-uz-zaman ...	... Bhagalpur Division (Muhammadan).
Maulavi Muhammad Shafee Daoodi	... Tirhut Division (Muhammadan).
Pandit Ram Kishun Jha ...	... Darbhanga *Cum* Saran (Non-Muhammadan).
Mr. Gaya Prashad Singh ...	... Muzaffarpur *Cum* Champaran (Non-Muhammadan).
Mr. Bhubananda Das ...	... Orissa Division (Non-Muhammadan).
Mr. Biswanath Misra ...	... Ditto.
Mr. Badri Lal Rastogi ...	... Patna *Cum* Shahabad (Non-Muhammadan).
Kumar Gupteshwar Prashad Singh	... Gaya *Cum* Monghyr (Non-Muhammadan).
Rai Bahadur Sukhraj Rai ...	... Bhagalpur, Purnea and the Santal Parganas (Non-Muhammadan).
Thakur Mahendra Nath Sahi Deo	... Chota Nagpur Division (Non-Muhammadan).

APPENDIX III.

ABSTRACT OF THE BUDGET ESTIMATES FOR 1932-33.

[IN THOUSANDS OF RUPEES EXCEPT ACCOUNTS.]

Revenue and Receipts.	Budget Estimate, 1932-33.	Revised Estimate, 1931-32.	Budget Estimate, 1931-32.	Accounts, 1930-31.
	Trs.	Trs.	Trs.	Rs.
II.—Taxes on Income	2,82	2,80	3,90	3,14,240
III.—Salt	..	4,02	..	..
V.—Land Revenue	1,79,38	1,77,70	1,77,68	1,80,03,708
VI.—Excise	1,20,00	1,20,00	1,61,00	1,42,09,426
VII.—Stamps	1,05,00	1,05,00	1,14,38	1,07,80,202
VIII.—Forest	7,28	6,13	9,88	8,13,060
IX.—Registration	13,00	13,00	16,50	14,53,478
XIII.—Irrigation, Navigation, Embankment and Drainage Works for which capital accounts are kept.	18,72	16,97	16,58	16,57,693
XIV.—Irrigation, Navigation, Embankment and Drainage Works for which no capital accounts are kept.	1,08	1,07	1,09	1,10,348
XVI.—Interest	5,59	5,22	5,21	5,91,216
XVII.—Administration of Justice ..	5,22	5,38	5,29	5,11,509
XVIII.—Jails and Convict Settlements ..	4,84	5,60	6,39	8,17,881
XIX.—Police	1,81	1,65	1,85	1,84,305
XX.—Ports and Pilotage	..	..	..	..
XXI.—Education	7,45	7,16	7,31	7,10,038
XXII.—Medical	2,28	2,59	2,58	2,20,869
XXIII.—Public Health	1,33	1,53	1,57	81,803
XXIV.—Agriculture	2,04	2,00	2,58	2,31,656
XXV.—Insdustries	3,41	92	84	93,403
XXVI.—Miscellaneous Departments ..	29	39	27	43,769
XXX.—Civil Works	10,71	8,87	10,56	6,86,395
XXXII.—Transfers from Famine Relief Fund ..	..	20,00	20,00	..
XXXIII.—Receipts in aid of Superannuation ..	1,07	1,16	1,18	1,95,598
XXXIV.—Stationery and Printing	2,43	2,36	2,60	2,32,745
XXXV.—Miscellaneous	4,33	3,67	5,76	6,57,529
XXXIXA.—Miscellaneous adjustments between the Central and Provincial Governments.	..	..	..	..
XL.—Extraordinary Receipts	..	..	..	1,57,757
TOTAL REVENUE ..	5,00,08	5,15,19	5,75,00	5,27,58,628
Loans and Advances by the Provincial Government (Recoveries).	8,99	7,74	5,97	7,11,210
Advances from the Provincial Loans Fund ..	..	..	..	..
Transfers from Famine Relief Fund	7,58	10,51	4,08	3,00,409
Famine Relief Fund	9,47	7,83	8,05	7,38,176
Subvention from Central Road Development Account	2,50	2,50	3,00	4,30,000
Appropriation for reduction or avoidance of debt ..	55	51	51	48,274
Suspense	1,78	1,98	1,02	1,38,318
TOTAL RECEIPTS ..	5,30,95	5,46,26	5,97,63	5,51,26,015
Opening Balance	(b) 27,89	(a) 82,52	89,97	1,40,69,567
GRAND TOTAL ..	5,58,84	6,28,78	6,87,00	7,00,95,582

(a) Includes 46,85 in Famine Relief Fund and 4,22 for Road Subventions.
(b) Includes 24,17 in Famine Relief Fund and 4,09 for Road Subventions.

ABSTRACT OF THE BUDGET ESTIMATES FOR 1932-33.

[IN THOUSANDS OF RUPEES.]

Expenditure.	Budget Estimate, 1932-33.	Revised Estimate, 1931-32.	Budget Estimate, 1931-32.	Accounts, 1930-31.
	Trs.	Trs.	Trs.	Trs.
5.—Land Revenue	19,73	22,60	23,31	25,22
6.—Excise	15,25	15,44	16,66	18,17
7.—Stamps	2,26	2,37	2,79	2,39
8.—Forest	7,44	7,66	8,77	7,92
8A.—Forest Capital outlay charged to revenue	24	69	1,05	1,50
9.—Registration	5,94	6,22	6,64	6,41
14.—Interest on Irrigation Works for which capital accounts are kept.	20,45	20,45	20,46	20,46
15.—Irrigation Revenue Account—Other Revenue expenditure financed from ordinary revenue.	2,27	3,70	8,72	5,34
15(1).—Other revenue expenditure financed from famine insurance grants.	..	..	..	..
16.—Irrigation Capital account—Construction of Irrigation, Embankment and Drainage Works.	..	1	1	—10
19.—Interest on Ordinary Debt	53	59	68	65
20.—Interest on other obligations	1,21	85	87	86
21.—Appropriation for reduction or avoidance of debt	55	51	51	48
22.—General Administration	66,45	71,14	73,19	75,34
24.—Administration of Justice	37,36	40,18	41,50	42,40
25.—Jails and Convict Settlements	15,98	17,86	21,42	25,13
26.—Police	84,55	84,67	88,64	88,16
27.—Ports and Pilotage	..	..	..	..
30.—Scientific Departments	30	39	41	44
31.—Education	78,34	86,95	88,59	92,28
32.—Medical	25,25	27,16	28,87	28,73
33.—Public Health	8,74	10,24	11,02	14,89
34.—Agriculture	12,91	14,57	15,98	15,71
35.—Industries	9,05	8,26	8,96	10,80
37.—Miscellaneous Departments	67	84	68	73
41.—Civil Works	41,21	61,05	64,87	81,00
43.—Famine	43	5	85	..
45.—Superannuation Allowances and Pensions	32,03	31,61	31,75	30,51
45A.—Commutation of pensions financed from ordinary revenue.	..	3,55	3,75	2
46.—Stationery and Printing	8,54	8,90	9,65	9,04
47.—Miscellaneous	1,37	1,73	1,86	1,65
51.—Contributions to the Central Government by the Provincial Government.	..	..	..	..
51A.—Miscellaneous adjustments between the Central and Provincial Governments.	..	..	..	..
52.—Extraordinary payments	2	..	..	..
Total—Expenditure charged to Revenue	4,99,07	5,50,24	5,77,49	6,06,13
Commuted value of Pensions	3,60	—14	—14	—13
Loans and advances by the Provincial Government	4,50	11,03	5,17	3,42
Repayments of advances from the Provincial Loans Fund.	55	51	51	48
Transfers from Famine Relief Fund (Repayments)	6,85	4,76	4,82	4,04
Famine Relief Fund	7,58	30,51	24,08	3,06
Subventions from Central Road Development Account	3,94	2,03	4,00	8
Suspense	1,82	1,95	1,05	1,36
Total—Expenditure not charged to Revenue	28,84	50,65	39,49	12,31
Reserve for unforeseen	1,00	..	1,00	..
Total—Expenditure	5,28,91	6,00,89	6,17,98	6,18,44
Closing Balance	(c) 29,93	(b) 27,89	(a) 69,62	82,52
Grand Total	5,58,84	6,28,78	6,87,60	7,00,96
Provincial .. Surplus	2,04	..	..	..
Provincial .. Deficit	..	54,63	20,35	67,18

(a) Includes 30,44 in Famine Relief Fund and 1,65 for Road Subventions.
(b) Includes 24,17 in Famine Relief Fund and 4,69 for Road Subventions.
(c) Includes 26,06 in Famine Relief Fund and 3,25 for Road Subventions.

APPENDIX IV.

Speech delivered by His Excellency Sir Hugh Stephenson at the Council Chamber, Patna, on the 18th March 1932.

MR. PRESIDENT AND MEMBERS OF THE BIHAR AND ORISSA LEGISLATIVE COUNCIL,

My presence here to-day to say good-bye to you all brings home to me more poignantly than anything else has done the fact that my life's work in India is ended. For more than 36 years I have served India with the best that is in me and in return I have received a rich reward in the fullness of the life India has offered me, in the opportunities for work that is really worthwhile, and above all in the friendship of its people. For seventeen years I took part in the life of a Legislative Council in a neighbouring province with the clash of controversy, the battle of wits and the good fellowship that underlies it all, and I confess it left a gap in my life when I ceased to be a member of the Legislature. For the last five years I have worked in partnership with this Council endeavouring to guide the destinies of this province. I should like to take this opportunity of thanking the Council and the individuals who have composed it for the great help you have given me and my Government in the task of administration. We have not always seen eye to eye; it would perhaps be an unhealthy sign if we did; but while I claim that as a Government we have always given the fullest consideration to the views of the Council, I gratefully acknowledge that when we have not been able to convert you to our opinions you have always appreciated our point of view and have always been willing to attribute such differences as remained unreconciled to our lack of wisdom rather than to our lack of good intentions. In our common task the Council has ever shunned obstruction and your recognition of the special responsibility which the present constitution places on us has relieved me of any necessity to use those emergency powers which that constitution has entrusted to my hands.

These five years have not been altogether easy for you or for us. The author of the present constitution told me in 1919 that his great fear was lest it should founder on the rock of finance. This province started with an utterly inadequate revenue and with far too small a capital sum to create the equipment of a major province. With careful economy and a succession of thrifty Finance Members and Secretaries we have done much that we may be proud of; but when I came to the province five years ago there were clear signs that we had reached the peak of our revenues and since then you and I have had to be content with finishing off the work that our predecessors had begun rather than starting the new work that our hands were itching to do. It has been an unpleasant task for both of us selecting the few things that we could afford to do out of the many things that we recognised ought to be done. In the last two years we have had to retrench instead of expand, and I think it is no mean achievement to have reduced our expenditure in the course of these two years by a crore of rupees or one-sixth of our expenditure two years ago. This does not of course consist entirely of retrenchment, but it is the measure of the sacrifices we have made in foregoing the things we so badly need. I should like to express my thanks to those of you who so willingly responded to my invitation to undertake the laborious and unpleasant task of advising us where we could best save money; it is always so much easier to advise how money can be spent. Their labours have been of great assistance to us and their suggestions for the

future will be carefully examined. No one really likes economy, and we all of us have our own ideas where it should begin, generally with our neighbour. But we are all unanimous that the solvency of the province is the first consideration, and although the particular cuts that we have felt it our duty to make are as distasteful to you as they are to us and although some of you may have felt that if the responsibility had been theirs they would have made the cuts differently, you have recognised the necessity for a balanced budget and we can look the world in the face as a solvent province owing no man anything. The outlook is still gloomy, but there are signs of a gradual recovery in agricultural prices which mean so much to us and we have been told by the experts of late that the corner has been reached and that India is better prepared than most other countries to take advantage of any improvement in the world's economic conditions. We trust that when the new Constitution is ushered in we shall obtain financial justice and be given sufficient income to allow us to return to at least a moderate standard of progress and administrative efficiency. We may not have been able during the last five years to take great strides forward, but I think the autonomous province of the future will be grateful to us that we have sacrificed ourselves on the altar of solvency and have refrained from mortgaging their finances.

In administrative matters too the last five years have brought their full share of difficulties. We have had labour troubles, communal disturbances, floods particularly in Orissa and have received your support in dealing with each as it arose. Though for the last three years nature has been kind and the crops have been good, in the end we have been plunged into the world's economic depression. The civil disobedience movement during the last two years has intensified our difficulties, financial and administrative. There may have been differences of opinion as to what was theoretically the right way to deal with this movement, but the Council have never swerved from the view that it was essential to check the lawlessness that was its manifestation and to defeat the attempt to bring Government to a standstill that was its object. You have recognised that the immediate responsibility for effecting this rested with the executive and therefore the decision as to the means to be employed; and you have given us your full support. We all regret the suffering that the movement and the action we have found it necessary to take to defeat it have entailed and we all fervently hope that the province will quickly return to that peace which is essential to enable it to face with courage the difficulties of the future.

I regret I shall not be with you to share that future. It has been decided, subject to such safeguards as may be determined upon, to hand over the responsibilities of Government to the Indian people. A tremendous change is imminent which we may face with courage; but it is no part of courage to ignore the difficulties and perhaps the most formidable difficulties are still ahead. We have had the Franchise Committee with us, and even those who had not given much thought to the matter before must have realised the tremendous difficulties in framing an electorate that will further, not the interests of this class or that, but the good of the whole country. We have had a somewhat bitter experience of the difficulties of devising an equitable system of finance that will suffice for our needs. The Consultative Committees are now dealing with problems that go to the root of India's future welfare and I have never concealed my conviction that it is essential that India shall secure the continuity and maintain the efficiency of the services on which the burden of administration now rests and which must become the executive agency of the legislatures of the autonomous provinces; there is no greater danger than that the legislature should endeavour to usurp the functions of an executive. I do not allude to these difficulties in order to magnify them or to weaken the determination to advance, but because on the one hand there are some who profess to think that no change is coming,

and on the other there are many who are content to let others do the thinking for them with a sub-conscious feeling that if they don't like the result some one will interfere to set it right. If our partnership of five years confers any privilege on me to give a word of advice, it is that we should cast aside the slogans and political cries that belong to the past, manfully face the facts and the difficulties before us and think out for ourselves the solutions that are in the best interest of the country as a whole. My good wishes will always be with Bihar and Orissa whatever the future may hold and I am very sorry I have come to the parting of our ways.

APPENDIX V.

Sources of information available to public.

CHAPTER II.—THE LAND AND THE PEOPLE.

Report on Land Revenue Administration for 1931-32.

Report of Wards, Encumbered, Trust and attached estates for 1931-32.

Annual Progress Report on the Forest Administration for 1931-32.

Annual Report on the work of the Department of Land Records and Surveys, Bihar and Orissa, for the year ending 30th September 1932.

Annual Administration Report of the Irrigation Department for 1931-32.

Administration and Progress Report of the Public Works Department (Roads and Buildings) for 1931-32.

Annual Report on the working of the Assam Labour Emigration Act, 1901, for the year ending 30th June 1932.

Census of India, Volume VII (Bihar and Orissa).

CHAPTER III.—FINANCE.

Financial statements for Bihar and Orissa, 1931-32, and Debates in the Legislative Council on the budgets for 1931-32 and 1932-33.

Reports of the Committee to advise on Retrenchments, Bihar and Orissa.

CHAPTER IV.—THE LEGISLATURE.

Proceedings of the Bihar and Orissa Legislative Council, Vols. XXIV, XXV and XXVI.

CHAPTER V.—LOCAL SELF-GOVERNMENT.

Resolutions reviewing the reports on the working of district boards and municipalities in Bihar and Orissa during 1931-32.

CHAPTER VI.—EDUCATION.

Quinquennial report on the Progress of Education in Bihar and Orissa ending March 1932.

CHAPTER VII.—PUBLIC HEALTH AND MEDICAL RELIEF.

Triennial Report on the working of the Hospitals and Dispensaries for 1929, 1930 and 1931.

Annual Public Health Report for 1931 and the Annual Vaccination Report for 1931-32.

Annual Report of the Superintending Engineer, Public Health Department (Engineering branch), for 1931-32.

Annual Report on the working of the Radium Institute for 1931.

Annual Report of the Medical Schools in the province for 1931-32.

Annual Report of the Prince of Wales Medical College for 1931-32.

CHAPTER VIII.—MAINTENANCE OF PEACE, ADMINISTRATION OF JUSTICE AND JAILS.

Annual Report on the Administration of the Police Department for 1931.

Report on the Administration of Criminal Justice for 1931.

Report on the Administration of Civil Justice for 1931.

Administration Report on Jails of Bihar and Orissa for 1931.

CHAPTER IX.—EXCISE.

Report on the Administration of the Excise Department for 1931-32.

CHAPTER X.—AGRICULTURE AND CO-OPERATION.

Annual Report of the Agricultural Department for 1931-32.

Annual Report of the Civil Veterinary Department for 1931-32.

Report on the working of the Co-operative Societies in Bihar and Orissa for 1931.

Season and Crop Report for 1931-32.

CHAPTER XI.—COMMERCE AND INDUSTRY.

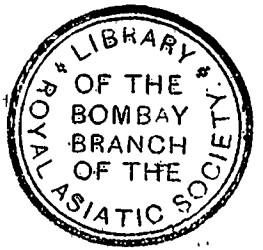
Annual Report of the Director of Industries for 1931-32.

Report of the Chief Inspector of Mines in India for 1931.

Annual Report on the working of the Indian Factories Act in Bihar and Orissa in 1931.

Annual Report on the working of the Indian Posts and Telegraphs Department for 1931-32.

Annual Report on the working of Joint Stock Companies in the province of Bihar and Orissa for 1931-32.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GLOSSARY.

Vernacular.	English.
Aman Sabha ...	... Organisation for propaganda in favour of law and order.
Ashram ...	... Hermitage, place of abode.
Bakr-Id ...	... A Muslim festival at which cows are sometimes sacrificed.
Bhang ...	... An intoxicating drug made from leaves of the hemp-plant.
Chaukidar ...	... Village watchman.
Daffadar ...	... Head village watchman.
Dai ...	... Maid-servant, midwife.
Ganja ...	... The hemp plant which is smoked for intoxication.
Ghi ...	... Clarified butter.
Gola ...	... Granary or store-house.
Gur ...	... Raw sugar.
Hansi-Hissar ...	... A breed of good up-country (Punjab) cattle.
Hartal ...	... Suspension of business, used as a political demonstration.
Kamdar ...	... Expert cultivator.
Lathi ...	... Stout stick or club.
Madrasa ...	... School for education in Urdu, Persian or Arabic.
Maktab ...	... Elementary village school for education in Urdu.
Mela ...	... Fair or religious gathering.
Muharram ...	... A Muhammadan festival.
Pachwai ...	... Beer made from grain, usually rice.
Panch ...	... Member of a panchayat (lit. five).
Panchayat ...	... A committee, a body of arbitrators, originally five in number.
Purdah system ...	... (Literally, a veil or curtain). A custom by which ladies of respectable class do not appear in public.
Passi ...	... The caste of toddy-tappers.
Pathshala ...	... Elementary village school.
Rabi ...	... The spring harvest.
Raiyat ...	... A tenant cultivator.
Raj ...	... Rule.

Vernacular.	English.
Rath Jatra ...	... The car festival.
Sahiwal ...	... A Punjab breed of good milch cattle.
Swaraj ...	... Self-government.
Swarajist ...	... Generally used to denote an adherent of the Congress, whose declared aim was independence.
Tari ...	... Toddy, fermented juice of the palm-tree.
Mahabir Jhanda ...	The flag of Mahabir (monkey-god).

MEASUREMENTS.

80 tolas = 16 chittaks = 1 seer (about 2 lbs. avoirdupois).

40 seers = 1 maund.

1 lakh = 1,00,000.

1 crore = 100 lakhs.

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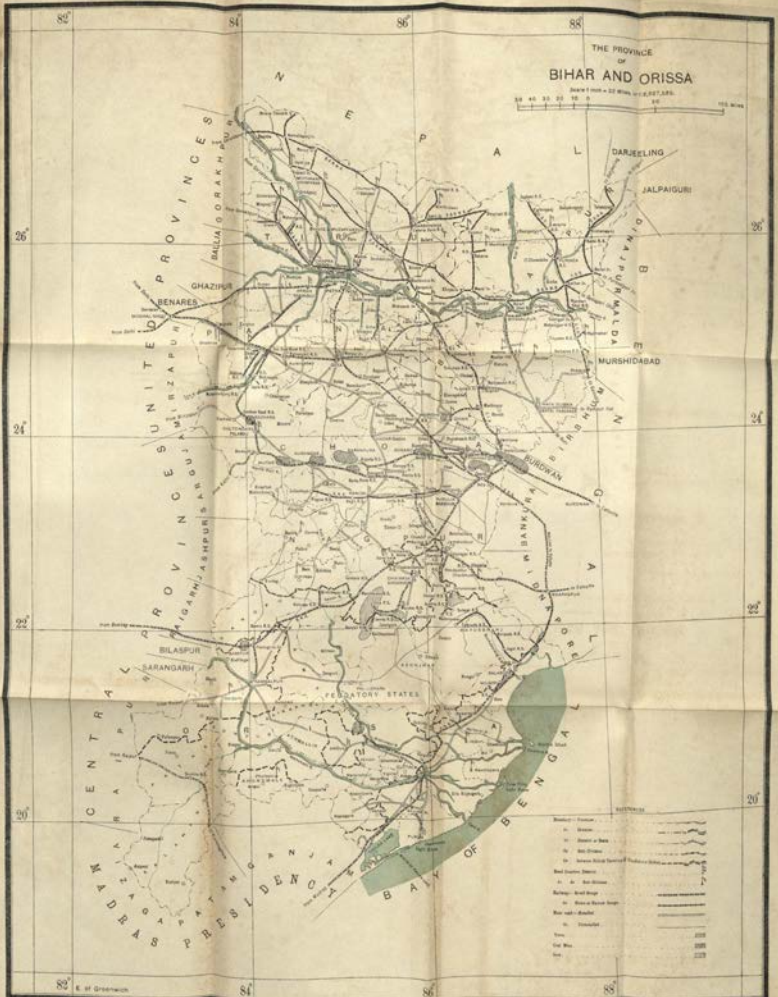
THE PROVINCE
OF
BIHAR AND ORISSA
DARJEELING
JALPAIGURI
MURSHIDABAD
BURDWAN
BILASPUR
SARANGARH
FEUDATORY STATES
BAY OF BENGAL
NEPAL
UNITED PROVINCES
CENTRAL PROVINCES
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